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FBIS-EEU-93-129 *8 July 1993*

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RSK, Croat Delegations Resume Geneva Talks

LD0707123493 Belgrade TANJUG in English 1128 GMT 7 Jul 93

[Text] Geneva, July 7 (TANJUG)—Negotiators of the Republic of Serb Krajina (R.S.K.) and Croatia on Wednesday resumed talks at Geneva with Knut Vollebeak and Geerd Ahrens, deputy chairmen of the international conference on former Yugoslavia.

R.S.K. officials said they would press for an amendment to a ceasefire agreement, proposed by Ahrens, to make possible a return of R.S.K. police and administration to the territories occupied in the Croatian aggression of January 1993, instead of deploying the U.N. Protection Force (UNPROFOR) there, as envisaged under the draft agreement. In its Resolution 802, the U.N. Security Council orders Croatia to withdraw from the U.N.-protected territories.

Head of the R.S.K. delegation Slobodan Jarcevic said that the draft agreement had not been changed as much as expected. Its chief provision for the deployment of UNPROFOR is totally unacceptable to the Serb side, because it awards Croatia's aggression and prejudges solutions before a comprehensive political settlement has been reached.

The R.S.K. delegation has fault to find also with the proposal to set up a joint task force (which should comprise representatives of the R.S.K., Croatia and UNPROFOR) to deal with disputes between Knin (R.S.K. capital) and Zagreb. Jarcevic said Croatia's demand for the task force to work as part of the Yugoslavia conference's working group for ethnic and national minorities was unacceptable to the other side. The R.S.K. delegation will, therefore, insist on the task force being established as a working group of the international conference on former Yugoslavia.

The R.S.K. has been formed by majority Serbs in parts of Croatia, in response to Croatia's violent secession from Yugoslavia, which downgraded the Serbs to an ethnic minority.

In the preparatory consultations with Ambassadors Vollebeak and Ahrens on Tuesday, the R.S.K. delegation received assurances that Geerd Ahrens, who chairs the working group on minorities, would in the future chair Knin-Zagreb talks in his capacity as deputy chairman of the Yugoslavia conference.

This is of major importance to the R.S.K., because it indicates that its problems would no longer be treated as those of a minority.

Conference officials are of the opinion that the talks might continue also on Thursday, on condition that the two sides succeed on Wednesday in bringing their views closer together.

Repairs to Dam Seen as Aggression

LD0707161493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1438 GMT 7 Jul 93

[Text] Geneva, 7 Jul (TANJUG)—The republic of Serbian Krajina [RSK] delegation said today that repairs to those facilities that facilitate Croatia's economic recovery were conditional upon the withdrawal of its troops to the territories where they were until 3 January last year, RSK spokesman Vojko Susa revealed on the eve of the third round of bilateral talks with deputy cochairmen of the conference on Yugoslavia Volebuck and Ahrens.

Susa said that only if this condition was met will the RSK let Croatia repair the Peruca dam, the Maslenica bridge, and Zemunik airport, making it clear that even in that case the above mentioned issues will be regulated through mutual agreements that implies that both sides ought to assume certain obligations.

If Croatia begins repairing these facilities without reaching any agreement the RSK will regard this as an act of aggression, Susa cautioned, and stressed that this will imply Krajina's duty to defend itself.

Croatia's insistence on its economic problems is unacceptable since it remains in the area it conquered, Susa said and concluded that it is no coincidence that there is such a sense of urgency about Croatia's desire to repair the Maslenica bridge since its reconstruction enables Croatia to gain access to Dalmatia and Bosnia-Herzegovina where it has been deploying its troops.

Government Condemns Decision on CSCE in Kosovo

AU0807104693 Tirana ATA in English 0815 GMT 8 Jul 93

["Statement by the Albanian Foreign Ministry on the Ban of CSCE Mission in Kosova"—ATA headline]

[Text] Tirana, July 8 (ATA)—The Ministry for Foreign Affairs of Albania sternly condemns the decision of the Belgrade government to ban the CSCE mission in Kosova. It supports the foreign ministries and the governments of the CSCE member countries, which asked Belgrade to let the CSCE mission continue its activity in Kosova, Sandjak and Vojvodina, says a statement of the Albanian Foreign Ministry.

This decision arouses great worry and warns of further aggravation of the situation in the region and in Kosova in particular. It proves that the Albanian Government was right in warning of the dangers of Serbia's aggressive policy to spillover the conflict in Kosova. Belgrade intends to avoid the presence of international missions in case of spillover of conflict by Serbia and in case of ethnic cleansing massacres that the Serb chauvinism is preparing against the Albanians in Kosova.

This challenge to the international community brutally violates the CSCE unanimous decision to dispatch missions in order to prevent the conflict. This clearly reveals that the Serb leadership does not like cooperation with the international community. It pursues the policy of war and aggression against non Serb peoples, as it is doing in Bosnia, with the aim of establishing great Serbia.

The Ministry of Foreign Affairs of Albania urgently demands the intervention of the government and parliaments of the CSCE member countries and appeals to the UN, the European Community, the Council of Europe, the European Parliament and all the international community to put pressure in order to force the Belgrade government to allow the CSCE mission to continue the precious work to establish peace in the region.

ATA Reports on Negotiations With Romania

AU0807052093 Tirana ATA in English 0837 GMT 7 Jul 93

["Official Negotiations Between the Albanian and Romanian Delegations End"—ATA headline]

[Text] [No dateline as received] On July 6, the second round of official negotiations was held between the delegations of the Foreign Ministry of Albania and Romania. In the focus of the negotiations were bilateral relations, the forms and opportunities to develop economic cooperation in different fields of mutual interest. Both parties expressed the wish and commitment to promote relations. This contributes to signing some agreements by the two foreign ministers.

Crisis in former Yugoslavia was the focus of negotiations. Mr. Serreqi and Melescanu upheld the same opinion that the spillover of the conflict in Kosova will have its impact not only on Kosova but also broader. Albania is right to be sceptic about the solution o Kosova problem, because it observes a gap between the attitudes and concrete action of the international community. Of priority is the settling of Kosova's status, Serreqi stressed.

We regard as very important the Kosova issue. We are for developing dialogue and contacts. We will invite Rugova in Romania when we deem it proper.

During the negotiations they exchanged opinions on the situation in Bosnia and Herzegovina and other aspects of the situation in the Balkans. Both parties expressed the commitmnt to reduce tension and establish confidence in the region.

New Space in the Albanian-Romanian Relations

The initialling of treaty on understanding, cooperation and good neighbourliness between the Republic of Albania and Romania, the signing of the protocol on cooperation between the two foreign ministries and two government agreements on maritime and international motor road passengers' and goods' transportation, create new space in the Albanian-Romanian relations .

The documents were signed at the Ministry of Foreign Trade by Ministers Serreqi and Melescanu.

Committments Taken on the Basis of International Documents Confirmed

Proceeding from the traditions of friendship, cooperation and good neighbourliness, Albania and Romania initialled on July 6 a treaty of understanding, confirming at the same time their support for the aims and principles of the UN Charter. Both states confirmed their commitments taken on the basis of the Final Act of Helsinki, the Paris Charter for a New Europe and other documents for security and cooperation in Europe. They agree to develop their relations on the basis of mutual confidence, cooperation and respect according to the principles of territorial sovereignty and integrity.

According to the treaty to be finally signed, Albania and Romania confirm their commitment for their contribution to the development of cooperation between the Balkan states, for the consolidation of understanding, peace and stability in the region and for the realisation of some zonal projects, as elements of the process for a united Europe. They are committed to encourage cooperation in fields of special importance for their economies such as energy, fuel and raw material, agriculture, transport, infrastructure, industrial and civil construction, production of mass consumer goods and utilization of natural sources for the mutual realisation of the demands of their economies.

For the Development of International Cooperation in Maritime Transportation

The agreement between the Albanian Government and the Romanian Government for maritime transportation expresses the common will of the two countries to contribute to the development of international cooperation in this field. According to this agreement, the ships of each party are entitled the right to navigate between the ports of the two countries which are open to conduct international trade and transport passengers and commodities between the ports and the third parties. The other party will provide special treatment to ships and cargo at the moment of the arrival, departure and anchorage.

The contractual parties will take necessary action to facilitate maritime traffic between the two countries, to reduce at maximum the time of the stay in the sea ports, the loading and unloading of ships, supply, repairing and other services. The agreement also foresees other provisions.

Facilities in the International Road Transportation of Passengers and Goods

In order to facilitate and coordinate international road transport of passengers and goods between the two countries and transit passing in their territories, Albania and Romania signed a government agreement in this field. The provisions of this agreement are applied in the transportation of passengers and goods by vehicles registered in the territory of one of the two countries, in the direct traffic between Albania and Romania or transit through their territories.

Contacts Between Foreign Ministries Institutionalized

In order to carry ahead the relations between Albania and Romania, the foreign ministers of the two countries signed the protocol for cooperation between the ministries of foreign affairs.

On the basis of the protocol, the foreign ministers will meet at least once a year to value the general relations and to find out ways for a closer cooperation in the discussion and analyzing of international questions. It also envisages meetings of senior officials of respective ministries, so that they have bilateral consultations on political, economic, trade, scientific, consular matters.

Press Conference of Albanian Foreign Minister Serreqi and the Romanian Foreign Minister Melescanu

In the end of the visit of the Romanian Foreign Minister Teodor Melescanu in Albania, the ministers of the two countries exchanged messages and signed different agreements and gave a press conference.

In his address Mr. Serreqi valued the visit of Mr. Melescanu. He said that this is the visit of a special personality, the visit of a minister from Romania with which Albania maintains traditional good relations. The value of this visit is determined by common circumstances, Mr. Serreqi said.

We are equally and to the same extent threatened by crisis in former Yugoslavia. The results of the negotiations which were very good, as Minister Serreqi put it, were materialized in the agreement signed between the two countries, the protocols signed to institutionalize the relations between the two ministries. We appreciate the message of the Romanian minister to arrange a meeting between the Albanian and Romanian presidents, Mr. Serreqi said. Mr. Serreqi said that both parties maintained common views in regard to the crisis in former Yugoslavia, the plan proposed by President Berisha for the solution of Kosova issue.

The Romanian foreign minister sincerely thanked Mr. Serreqi and the colleagues of the Albanian Foreign Ministry and said that it was the first visit to Albania as the foreign minister of Romania. From the talks with President Berisha, Mr. Serreqi and other senior personalities, I was offered the opportunity to get familiar with Albania and the situation in the region, Mr. Melescanu said. The principal message of the Romanian Government is the desire to develop traditional relations with Albania. He regarded the visit full success, a step onward to the process of the development of the relations between the two countries.

Asked about Romania's attitude towards the Albanian-Greek relations, Mr. Melescanu said that there is a significant preoccupation for these relations as Romania maintains good relations both with Albania and Greece.

In Tirana I realized that the Albanian party seeks new possibilities to settle the problem of Albanian refugees in Greece. We support the desire of the Albanian party for dialogue, Mr. Melescanu said. In regard to the proposal of President Berisha for settling the Kosova issue, Mr. Melescanu said that this proposal concerns Romania as an expression of Albania's political position, which wants to help settle the problem. We support the view to prevent conflicts which would have unpredictable consequences for the Balkans. Asked about the role of the Albanian community in Romania to the development of the relations between our two countries, he said that this role is traditionally significant. The influence of the community in the relations between our two countries, is known. The Romanian foreign minister said that this community at the moment is included only in the Council of Minorities in Romania, but in the future it may have also a seat at the Romanian Parliament.

Concerning 70 Albanian refugees who have been living in Romania over the last two years, Mr. Melescanu said that despite the known difficulties efforts are made to integrate them to the Romanian society.

Arbnori Receives U.S. Congressional Delegation

AU0807105493 Tirana ATA in English 0821 GMT 8 Jul 93

[Text] Tirana, July 8 (ATA)—A delegation of the U.S. Congress, headed by the congressman, Martin Frost, and made up of the congressmen Gerald Solomon, David Skaggs,David Price, Douglas Bereuter, Louise Slaughter and Mike Bilirakis, arrived in Albania on July 7.

The congressman, Martin Frost, runs a project on assistance for the new parliaments of Eastern Europe. This project includes all-round assistance for the Albanian Parliament, which has to do with the modernisation and automatization of the hall of People's Assembly, offices of the Assembly's staff, the training of this staff and aid for the press sector, which will make possible the release of the official gazette.

The speaker of the parliament, Pjeter Arbnori, met with the delegation of the U.S. Congress.

"For us, the ex-political prisoners and for the whole Albanian people", he said in his speech, "The USA represents the pillar of democracy, which put up powerful resistance to communist aggression."

We are the only country in Europe whose half of population lives inside the borders and the rest in the ruins of former Yugoslavia, said Mr. Arbnori. Although no blood was shed during the democratic movement in Albania, the international circumstances did not allow Albania to settle the national issue. We ask for help to settle our just demand. We appreciate particularly the U.S. great support to the democratic processes in Albania.

Mr. Arbnori also spoke of the performance of the assembly, its efforts to approve laws, (during 14 months it has approved 172 laws, amongst them also fundamental constitutional laws) and dwelt on the parliamentary war.

Mr. Frost and the other congressmen committed themselves to support democracy and provide material aid.

Berisha Addresses Korce Farmers, Strikers

93P20197A Tirana RILINDJA DEMOKRATIKE in Albanian 3 Jun 93 pp 1, 2

[Speech of President Sali Berisha in Zvezde, in Korce district, on 1 June: "Every Day Democracy Is Expanding the Dimensions of Freedom in Albania"]

[Text] First of all, I would like to express my great happiness and thanks for this fraternal reception which you have given to me. I would also like to greet all the farmers of Zvezde and all the farmers of Albania who, with their honorable efforts, sweat, and work have transformed the image of the Albanian agricultural landscape and of Albania. Anyone who comes to Albania, any friend or admirer of Albania, has high praise for the great work and services you have worked on the land. I have great confidence that soon you will make Albania as beautiful as a bride. You have really worked your land beautifully and you are filling your households with meat and grains. You are the majority of the population and all of us are very happy about the change in your situation. The more that you have, the richer Albania will be.

By your work and your sacrifices you demonstrate that you fully deserve this respect and honor. In a year's time you have obtained the land which you deserve and freedom in your work because now you work for yourselves and for your households. This has given you, once again, responsibility for your work, without which there is no quality in work. We are very happy about the rapid changes which have occurred. We are happy because you used to be the poorest and most oppressed sector of Albanian society.

Let me say to you that the creation of herds, as the last step in the process of total collectivization, was, without doubt, one of the most barbarous acts which any regime has carried out against a people. It transformed the Albanian village into a type of military work camp where people often worked only for dry bread.

It is true that it was said that, by this practice, progress was achieved in agriculture. But this progress consisted of the veritable enslavement of the farmer, of his work, of his time, and of his sweat. There have been numerous cases where people have died of hunger. Your efforts, sweat, energy, and musclepower were spent for the luxurious and super-luxurious villas of Enver Hoxha and the blockmen [Albanian Workers Party elite] or for the insane process of bunkerizing Albania.

Today we have concentrated all our forces in agriculture and, first of all, you have been transformed into true owners of Albanian land. We are completing the land reform and, very soon, all Albanian agriculture will be made up of private farmers.

We have based the land reform on a law which has been approved by consensus by the Albanian parliament and which is based on the principle that the land should go to the one who works it, on a per capita basis. This law is a very just law, which is profoundly human and democratic. It has as its basic principle the most good for the greatest number of people. This law also takes into account all the great demographic, social, and economic changes which have occurred in Albania during a period of half a century. It is a fair law because it does not deny property rights; it distributes property. It creates private farmers; therefore, it respects the great principle of private ownership. It recognizes former ownership and compensates the owners to a logical extent. Naturally, this does not mean that this law will satisfy everyone. Recently, some former owners, whom I consider to be distinguished citizens and for whom I have deep respect because of their past sufferings and deprivations, have begun a strike. They demand that we give the land to the former owners and they are dissatisfied with the amount

of compensation which we are giving them. This seems to me to be unreasonable. I tell them that the farmers who are getting the land today suffered and were exploited as slaves in agricultural cooperatives and it would be absurd to think that they should be transformed from field-laborers of a dictatorial state into field-laborers of this or that individual.

Second, no one should forget that the communist state nationalized them and that this state exploited them to the core and that, in a democratic state, in 50 years, today's farmer would not have had property consisting of only a few dunams or one hectare of land which he is receiving from us today but would have had cars, villas, and other property. On the other hand, I think that those gentlemen who supported democracy—and we are very grateful for this—are rising up against themselves and against their vote, from the political point of view. They say that they voted for the Democratic Party and I believe it and I am grateful for this. But let me stress that one of the basic rules of democracy is to respect the authority of the majority both when you voted for it and when you did not vote for it, because, in a democratic society, the majority has the right to govern. It is undemocratic and it would have catastrophic consequences if specific groups or minorities were to try to impose their will on the freely elected majority. This happens only in a dictatorship and never in a democracy. Our bitter history under the dictatorship should be a great lesson for us.

But I also think that no one has cause to be discouraged. It is true that today, we are giving farmers from several dunams to two hectares of land and we are even giving the former landowners reasonable compensation for 15 hectares of land. Above all, we are giving them an opportunity for their life and no one should forget that the freedom which we won together is the most important opportunity of all.

And so, I would like to tell you and the farmers of Sarande, Mallakaster, Myzeqe, Kavaje, and all of Albania to enjoy the land, both you and your children. The Democratic Party is a serious political force which, during the election campaign before 31 March [1992] and later, presented its program to the Albanian electorate—a program which received wide approval from the Albanian voters. In the domain of agriculture, the program called for the following: breaking up agricultural cooperatives; giving the farmers ownership of agricultural land; compensating owners; liberalizing prices for agricultural products; providing agricultural machines; and not collecting taxes from farmers for 2-3 years. I think that, so far, the party has proven that it is a political force which keeps its word. It has not deceived and it will not deceive. I assure you—and anyone who thinks differently will make a serious mistake—that the party's program and promises have been kept and will be strictly kept. First, it promised that it would break up the cooperatives and it did this faster than all the other countries in Eastern Europe. It promised you that it would give you ownership of the land and you are receiving the deeds to the land and enjoying it. It told you that it would compensate the owners and it will do this to the extent possible.

Of course, we have never intended to condemn and punish an entire people for the economic crimes of communism. Communism destroyed property and took the profits; it destroyed homes and families. If anyone should think that Albania will be able to pay 4 billion dollars, which is the equivalent of the profits which disappeared, this would be equal to making two generations of Albanians do forced labor. No one with a noble spirit and heart could demand such a thing. The Democratic Party would never accept this. In its program, the party promised the farmers that agricultural prices would be liberalized, and last year and this year, you have gradually been selling at prices which are often at the level of and above world prices. This has caused the economic situation in the village to change radically in a short period of time. This change has resulted in an unexpected increase in agricultural products, which in turn has had a positive effect on the overall economic situation in the country. Therefore, not only is the state not exploiting and not robbing the farmer today, on the contrary, it is investing large sums of money in [subsidizing] bread so that the city will be able to handle the high prices. This sacrifice is necessary because this is the one sure way to increase yields and to free Albania from emergency assistance and alms. This is the one sure way to increase agricultural products not by exploiting you but by making you rich. This state is providing subsidies and will provide subsidies amounting to billions [of leks] so that you will receive a profit from the wheat and other crops which you sow.

The Democratic Party program says that there will be no taxes for 2-3 years and you can see that this is being carried out; it promises that we will provide you with agricultural machinery, but, unfortunately, this has not been done. But we hope that and we are sure that there will be great changes in this area by the end of the year. So far, about 1,000 tractors have been brought in and thousands of others will arrive during the coming months.

Since agriculture has been defined as a priority field, we have decided to invest more and more in this area. During the coming year, 50 million dollars are earmarked for investment in agriculture, concentrating on agricultural machinery, irrigation systems, and seeds.

This year, we expect increased production in agriculture while next year will be a full year, with private agricultural units.

So. let me ask you once more: Can a serious political force deceive its voters? A hundred times no. This cannot happen. Therefore, I am calling upon the strikers who seek the return of their property and to their families to end the strike and asking them not to forget that the freedom which we achieved is greater than anything else.

We must not forget that what they are striking about today could not even have been mentioned five years ago. For the achievement of their goal, let them rely on the political forces who have included return of property in their program and let them struggle with persistence and tolerance to ensure that these forces are victorious in the 1996 elections. Then, if they win a majority in parliament, they will be able to change the law.

In the history of world democracy, no minority has ever been able to dictate its will over the majority by using these means whose legitimacy remains very much in doubt, because they are imposed.

Once again, let me wish that you, the farmers of Zvezde, and all the farmers, enjoy working the land and reap bountiful harvests from it. I wish you and all the farmers of Albania and your families joy and good health!

Zhelev Interviewed in Polish Publication

AU0707192093 Warsaw GAZETA WYBORCZA in Polish 3-4 Jul 93 pp 14, 15

[Interview with President Zhelyu Zhelev by Adam Michnik; place and date not given: "Hatred And Democracy"]

[Text] [Michnik] They are they calling you a traitor in Bulgaria. Who have you betrayed? Why are you a traitor?

[Zhelev] That is an idea of the extremists. I have betrayed no one, neither any person, nor my country. I have become president and have remained a poor man. I have never been tempted by riches. If the entire Bulgarian nation becomes rich, I too will be rich, but I do not want to take advantage of the privileges of my office. Therefore I feel free, and no one can accuse me of stealing something or abusing my office.

As far as treason is concerned, I have been accused of that several times—in the 1950's, 1970's, and 1980's. When I defended the Turks, I was branded a traitor to the national cause. Now they are accusing me of selling out to the communists. I have no idea how I am supposed to have done that.

[Michnik] Zhelyu, you are an intelligent man. Name me one intelligent man in our postcommunist Europe who has not been called a traitor, just one.

[Zhelev] All this ideology of treason is communist. Even the vocabulary, with words like traitor, is communist vocabulary that is once again in circulation. It is alien to a democratic society and democratic thinking. Traitor? What is that supposed to mean? There is clear treason only in war time, and there are doubts even then.

Nikola Petkov was branded a traitor. He was an activist in the Party of Small Owners who was the first to oppose Stalinism in Bulgaria. At that time, his party had 100 members of parliament. Attempts to bribe Petkov failed, so the communists called him a traitor and killed him. The communist Traicho Kostov took part in the witch-hunt against Petkov. But later, he too was called a traitor and killed because he wanted greater independence from Moscow.

But what interests me is the crowd that called "Death to the Traitor!" Crowds like that have always been large, and, of course, suitably organized. Totalitarian systems have all the necessary resources to organize crowds. But in a modern democratic society one can no longer shout with a single voice, calling for death for this person or that person. Nevertheless, there are people who have retained that kind of thinking, and are expressing it when the need arises. They do not consider who has done what. They do not ask themselves whom such and such a person has betrayed, and in what way, what for, and why.

[Michnik] That is why I gave these people the finger on Bulgarian TV, just like I did to the communists there years ago.

[Zhelev] I liked the way you gave the finger for the second time. That gesture was as appropriate as it was the first time. At that time the communists were a real threat to democracy. It was necessary to show them the finger so that they might understand that their time is up and that they ought to quit the stage of history. But now, three years later, in a post-totalitarian system, where so much has changed, we have anticommunists who are so primitive that they nourish themselves only with their own anticommunism. They are, in fact, mirror images of communists. They possess the same nature as the communists. The only thing that distinguishes them from the communists is their opposition to communism. They possess the same kind of hatred as the communists. Their ideology is an ideology of hatred of the enemy, therefore they keep dreaming up new enemies all the time. I tell you, these people have not changed one little bit. They remain the way they were. They are the same people who wept at the deaths of King Boris III, Georgi Dimitrov, Chervenkov, and Ludmila Zhivkova. This group has a permanent, specific social psychology—a crowd psychology.

A crowd reacts to reality and the outside world differently from individuals. Hitler realized that. In a crowd, people spur each other on, and the temperature of collective reaction rises constantly. I keep telling people that, in the post-totalitarian era, people are going from one extreme to the other. I have already written on several occasions that, just like extreme antifascism, extreme anticommunism does not yet constitute democracy and democratic thinking.

I have referred to historical examples several times. Hitler was an extreme anticommunist, and Stalin an extreme antifascist. But neither of them were democrats. Both were sworn enemies of democracy, the democratic way of thinking, and the democratic system.

Our Communists Were Parrots

[Michnik] Four years have elapsed since the end of communism, or should I say the first stage of the end of communism. What do you think are democracy's greatest successes and its greatest failures?

[Zhelev] I will attempt to answer. Of course we gained successes in the development of democracy. There is no doubt about that. In Bulgaria, where there were no mass dissident movements, individual conduct and gestures have always had the greatest importance. After the fall of the Zhivkov regime in 1989, our greatest achievement was the elimination of the communist party's totalitarian monopoly. We introduced a multi-party system, a multitude of parties emerged, old parties were revived, and the new parties possessed the nature of informal movements. Even we were surprised by that. We never expected things to proceed so quickly, so easily, and so

stormily. The next step was the emergence of independent trade unions, followed by the autonomy of the universities and an independent press.

After the elections, a parliament was formed in which the opposition also occupied seats. I am sure these are genuine successes of democracy, and thanks to them no one will be able to reverse the wheel of history.

It is not so good with the economy. There is an enormous economic disparity between Poland and Bulgaria, one reason for which is the fact that, unlike Bulgaria and the Soviet Union, there was ever any mass collectivization in Poland. Our communists really were parrots. They simply imitated the Russian communists. Everything that was done in the Soviet Union was immediately copied in Bulgaria, regardless of the different conditions in each country and the sacrifices Bulgaria had to make.

Our countryside was completely collectivized. But we have already managed to return 20 percent of the land to the people, and I hope most of the land will have been reprivatized by the end of the year. Everything now depends on political will.

We will not be able to avoid mass privatization, and something in this sphere is already being done. But that is just the beginning. I do not know how to describe it, a calamity or an essential adjustment to a established policy.

[Michnik] Try to answer me like a human being, not like a Marxist.

[Zhelev] I never imagined that the primitive anticommunists we have been talking about would pull off such successes.

[Michnik] That is an odd thing for someone who was an anticommunist for 30 years to say. You were expelled from the party for not toeing the line.

[Zhelev] And then I was persecuted for another 30 years.

[Michnik] And now you are against the communists? Why? I am asking you as a sort of devil's advocate.

[Zhelev] I am investigating the phenomenon of avowed anticommunism very closely, but sometimes I think that this anticommunism is being spread by none other than members of the old security apparatus. Far be it for me to explain the historical processes behind this activity, that would be a naive thing to do. But sometimes... No, that cannot be the basic explanation.

Basically, this primitive, extreme anticommunism is related to the old communist party. The outcome of this anticommunism, which consists of nothing but hatred, a desire for revenge, and an urge to demonstrate one's hostility toward people of the old regime, will be the rejection of many normal, honest, hardworking people. By losing them, we will expand the base of the former communist party which, by the way, has already managed to rechristen itself socialist.

[Michnik] That is a real Biblical miracle—overnight, the communists transformed themselves into a formation that they themselves describe as social-fascist. Throughout my entire life in the opposition, I fought for a Poland for all Poles, I fought against communist apartheid. In Poland there was simply no room for non-communists, except for non-party allies of the communist party. These days I disagree with the anticommunist apartheid in Poland and the fact that old communists should be second class citizens in their own country. After all, democracy is a system in which everyone is equal before the law.

[Zhelev] I have often considered that, and it was not mere theoretical thinking. I believe that democracy is impossible if repressive measures are applied to members of one particular party or people holding certain views. We had something like that in Bulgaria in 1945-1946, when the communists expelled the oppositionists from parliament, arrested them, sent them to concentration camps, or murdered them. That is not the way to build democracy, and it would be foolish to repeat that experiment. I think there are still communists who commited murders.

[Michnik] Only a court can determine their guilt.

[Zhelev] Exactly, This is not a question of convictions or party membership. This is a crime against humanity and the state.

[Michnik] In Poland, people used to be either "for" communism or "against" it. Later they became "for" the right wing and "for" the left wing. What do you think is the most important change to have occurred on the political stage of the postcommunist countries?

[Zhelev] Indeed, initially the distinction was very clear; communism or anticommunism, support for dictatorship and totalitarianism, or opposition to them. But, gradually, pluralism began to form, the situation changed, and people realized that there was more to it than that. Even the communists realized that communism was a utopia, a mistake of history, a failed experiment.

The most far-sighted communists left their colleagues behind and were the first to become capitalists, stealing state funds. Slowly, the majority began to realize that there was more involved than just a simple choice of communism or anticommunism. Communism is departing, no one can stop it, and communism itself has no intention of reviving itself or continuing. That is the case, not just in Bulgaria and Poland, but all over the word.

Communism is leaving the stage of history, just as fascism did. No one wants to bring it back except for a small group of idealists who think it collapsed because it was headed by a small group of dishonest people, and therefore it can be reestablished. But that small group has no influence in society. People already understand that a different opposition has arisen, and that the scene is now divided into democracy on the one hand and antidemocracy on the other.

Sympathy for Pragmatists

[Michnik] We can either have an open society, or a closed one.

[Zhelev] Yes, but that is only one side of the medal. What I am concerned about are the very profound processes within society. The average citizen is beginning to realize that playing the anticommunist tune is just a primitive game nowadays. A real dispute between democracy and antidemocracy is developing. People are beginning to understand that the bipolar model, which once served a good purpose in the struggle against communism, has now outlived its purpose and is hindering further development.

The communist and anticommunist opposition has become a mere formality. The communists themselves claim that they are not anticommunists, but merely opponents to communism. I think they have found themselves in an odd situation. I think that what is now happening inside our parliament—it may already have happened inside yours—is a reflection of the situation in society. A general tendency toward pragmatism is making itself increasingly clear, and pragmatic politicians who want to implement economic reforms and privatization, restore confiscated land, and develop private business and trade are gaining sympathy. All in all, the average person has had enough of this confusion. "We shall build a parliamentary democracy and a market economy" are no longer empty words to him.

Now, the average person is interested in his own place in the market economy. What advantages will he and his family gain from it? What does private ownership, privatization, and the return of land mean to him?

I have visited rural areas and given farmers title deeds to their land. And yet afterwards they asked me whether they could form a cooperative once again. I answered that they could do whatever they wanted, the land was theirs. "It is up to you," I said. "Do what you want. No one can order you what to do."

I thought everything was clear to them, but then one farmer got up and asked: "All right, but can we join a cooperative now?" I answered: "Of course you can. I have already told you twice."

"Yes, but can we form just one cooperative instead of two or three, just one cooperative for the whole village?"

"Look, you have received your land back. You can set up the old farming collective again. You can even build a concentration camp. It is entirely up to you."

And then the farmers applauded.

[Michnik] Did you ever expect such an outbreak of populism? Do you not fear that populism will turn into a kind of artificial nostalgia for the past? We are living in an era of regained freedom and risk. Communism was an era of no freedom, but also no risk. Under communism, you knew what you were going to eat and where you were going to sleep, just like in prison.

[Zhelev] Yes, perhaps populism is a form of nostalgia for totalitarianism. At its primitive level, totalitarianism did guarantee everything—employment and accommodation. It was an uncivilized system, but it did provide some sort of guarantees, some sort of security. If someone from the provinces wanted to live in Sofia, he might work in a steelworks for 15 years and then be given a Sofia residence permit, after which he might work another 10 years and finally be put on the waiting list for an apartment. People knew how long they had to wait. And that is why many people turned out to be quite unprepared for a market economy, and quite helpless in it. That is why they, while cursing communism all the time, still behave like communists and long for the communist way of life, communist thinking, and communist guarantees. They believed that life without communism was supposed to be better, but it seems to have become worse.

[Michnik] How much did you know about Poland when you were still a dissident?

[Zhelev] Poland was always considered a bastion of freedom. Not only in my opinion, but also in the opinion of other people of my generation, and not just my generation. That was the opinion among all the Slav states. I am absolutely serious about that. I am not saying it just to gain popularity, especially with you. Ha, ha.

We used to draw comparisons with Russia. In Russia there was downright slavery. Czechoslovakia was reminiscent of Bulgaria, but we did not like it. But the Poles impressed us. They had the courage to protest. They held demonstrations in 1956, and after the 20th CPSU Congress. We viewed these events with hope, thinking that if this kind of thing could happen in another country, it could also happen in our system. Later came Solidarity, and later still martial law. Everyone heard of Walesa. And one more name springs to mind: Leszek Kolakowski. I read everything he published.

[Michnik] What about Polish films?

[Zhelev] Andrzej Wajda's films were the most prominent ones. They were extremely popular in Bulgaria. All this was a ray of freedom. I do not know if you are in a position to comprehend: The communism in Bulgaria was a communism of Janissaries. The Turks took away children from their Christian mothers, brought them up in the Muslim faith, and then gave them their freedom. The Janissaries, who were Turkicized Christians, were the greatest enemies of the Christians. The same thing happened with the Bulgarian Communist Party. It was the most Janissary-like party of all.

Substitutes for Art

[Michnik] Why are no great literary works appearing? There was an outburst of literature when Stalin died, but now that communism has died there is absolutely nothing, a vacuum.

[Zhelev] There are two reasons for that. In our post-totalitarian society there is freedom of the press and freedom of assembly. We have every political and civic freedom. One can write exactly what one thinks.

[Michnik] So why is no one writing? There is freedom, but the effects of that freedom are not visible. Why?

[Zhelev] I think there is an absence of the energy that was present when there was still tyranny and restrictions. Now that there are no more restrictions, there is no more spiritual and intellectual energy. There is no pressure to produce anything.

[Michnik] Is that why we have no Camus or Hemingway of our own?

[Zhelev] I think that once our countries have left the postcommunist era behind and solved their basic economic and social problems, books and other works of art will appear. But right now people need energy for other things. Let us view the problem from a different angle. You want to write a book, and have a story in your mind, but who will want to read it? People are reading dailies nowadays. They do not even bother to read periodicals. They want to know what is happening.

[Michnik] When you sit down to write a book, you do not consider who is going to read it. You simply feel that you have to write it.

[Zhelev] Of course.

[Michnik] The end of communism came as such a surprise that we lack the language to express it. None of us ever imagined we would live to see the end of communism. There was freedom in Rome and Paris, but no one ever imagined it would happen to Warsaw, where a surreal turmoil existed. And now all of a sudden, things in Warsaw are just like in Brussels or Strasbourg. That is quite simply impossible.

[Zhelev] You know, we were not even prepared for anticommunism. I once spent a long time considering Soviet literature, which I am acquainted with, and Bulgarian literature, which I am also acquainted with, and I realized that people were simply incapable of describing the changes that had come about. It was the same with fascism earlier. No one knew how to express condemnations of fascism.

It was no longer possible to write like Tolstoy or Dostoyevskiy. It is one thing to describe the personal tragedy of one person, but quite another thing to describe the tragedy of thousands of people who went into concentration camps in order to be exterminated shortly afterwards. Another mode of expression, another way of thinking, is required in order to describe that.

Toward the end of Gorbachev's rule, the first works appeared that adequately described this world. No longer were the sufferings of any individuals emphasized. This time, the sufferings and deaths of thousands of people were described. We lacked the poetics to express this.

[Michnik] I disagree. Solzhenitsyn knew how to describe it.

[Zhelev] He was the first to do so.

[Michnik] But not for us Poles. We had distinguished writers who wrote about the Soviet camps and communism, such as Czeslaw Milosz, who wrote "Enslaved Mind," and Gustaw Herling-Grudzinski, who wrote "Another World." But why have none of our friends in Bulgaria, the Czech Republic, and Romania written about what is happening nowadays? Is it because the language of our era is dying out? Look, there is no poetry, or essay writing, or theater, or films.

[Zhelev] It is because everything is still in the fermentation stage. It is difficult to give exact definition to the processes that are occurring, that is why substitutes for art are appearing. When our parliament adopted the constitution, the entire country watched the proceedings on television. This was a great real-life drama, instead of fiction, and everyone stared at the screen as if hypnotized. They experienced what was happening and criticized it at the same time.

[Michnik] So it was a kind of theater.

[Zhelev] Yes.

[Michnik] And now no one is interested any more.

[Zhelev] They are much less interested than before, even though parliamentary debates are still being transmitted. We also had our own "roundtable" modeled on the Polish one, and people were absolutely mesmerized, unable to believe their eyes and ears. For the first time in their lives, they were hearing the communist leadership being criticized, hearing demands that these people face the courts for what they had done in the past.

It was fantastic. I remember how the whole country stopped working when the "roundtable" talks were televised. The talks had to be rescheduled to the evening in order to stop industrial output collapsing altogether. This was a new phenomenon. Politics had become a theater, an art form. Earlier, politics had discouraged people from going to the theater. But now, the opposite was happening, politics was making them interested in the theater once again.

It might be a naive thing to say, but I think that, when society's basic problems have been solved, people will

calm down. Then politics will no longer be a show, it will be just politics. Politics will then be the domain of professional politicians, just like in the West.

[Michnik] And now the most dramatic question of all. The war in Yugoslavia. Do you have any ideas on how to end it?

[Zhelev] End this war? One cannot answer that question without considering the things that happened earlier.

[Michnik] Whose fault is that? If a war broke out in Poland and Europe failed to find a solution, would it be Europe's fault? I think it is the fault of ethnic chauvinism, the ideology of a greater Serbia. After all, Europe is not a policeman. Europe would be unable to intervene if ethnic conflicts broke out in other parts of the continent, such as Warsaw.

[Zhelev] Warsaw is different. Even if, God forbid, something similar were to break out in Warsaw, it would be completely different from Yugoslavia. But let me tell you why Bulgaria and the remaining Balkan countries should not intervene militarily in Yugoslavia. Europe can do so with the help of NATO, but not us. Because if we do, a war will break out in the Balkans, and we will once again find ourselves in the same situation as an 1912. If a war like that breaks out, we will not need Europe any more. All the European structures will collapse. That would be pointless.

Neither Italian soldiers nor German soldiers can enter Yugoslavia. The Americans, Canadians, French, and even the Russians can do so, but not the Germans and Italians, who fought on the side of the Axis during World War II.

[Michnik] It is no use telling that to Yeltsin, or Clinton, or Mitterrand, after the wars in Afghanistan, Vietnam, and Algeria. So who could intervene in Yugoslavia? Canada?

[Zhelev] Perhaps Great Britain.

[Michnik] The British have no interests in Yugoslavia. Would you send Bulgarian troops to Lithuania if a conflict suddenly broke out between Lithuania and Belarus? Their mothers would ask you: Zhelyu, why did you send our sons to their deaths?

[Zhelev] We did send Bulgarian units to Cambodia. And no one can say we planned to do so. The same should apply to Bosnia.

[Michnik] Cambodia is not Bosnia. And Clinton, for one, understands that. Why is he afraid? Because he does not want to send American soldiers to their deaths once again, as was the case with Vietnam. He does not have the American people's permission to do that. But when will it end? And whose fault is it? Milosevic's?

[Zhelev] Milosevic's concept of a great Serbia for all Serbs is a terrible idea.

[Michnik] What is going to happen to Bulgaria now? You have democracy, but I hear people calling you "Judas" during rallies. I hear my friend Zhelev being called a Judas, a traitor.

[Zhelev] Only a small number of people do that.

[Michnik] But these rallies are attended by many thousands of people.

[Zhelev] That is not true. Yesterday, for example, there were only about 1,500 people at a rally.

[Michnik] 9,000 or 10,000 people.

[Zhelev] That is not true. There were only 1,500. The figure has been confirmed by the police, my own friends, and independent sources.

The chain of events was as follows. In 1991, the leaders of the Union of Democratic Forcers [SDS] won the elections. They had a small majority, but it was a majority nonetheless, and they had a majority in parliament, especially in the coalition with the Turkish minority. Later the SDS formed a single-party government. But all of a sudden, the SDS leadership, especially the SDS chairman and Bulgarian Prime Minister Filip Dimitrov, thought they had unlimited power and could do everything they wanted. They began to make mistakes.

I warned them that they were narrowing their social base, and that was dangerous. I told them they were losing political support, which is dangerous for a ruling party because the whole burden of responsibility rests on the ones who are in power. They heard me out, agreed with what I had said, and carried on as before. Finally, when the situation has become very ominous, I called a news conference. I said the government had decided upon a course of confrontation with all the trade unions, which could only end in disaster. Even if a coalition has an absolute parliamentary majority, it still seeks allies.

The Crisis Came Together With Power

[Michnik] You are not a professional politician. You are a philosopher, a citizen, a former dissident. What do political victory and defeat mean to you? When do you think you have won and when do you think you have lost?

[Zhelev] As a politician, national interests are most important for me. Right now, I am concentrating on the reforms. If we succeed with them, everything else will follow automatically, such as the return of land to the farmers, and, in urban areas, reprivatization, which is hovering in the region of 70 to 80 percent.

Perhaps I began to take notice of developments among democratic groupings too late, but I think certain processes are inevitable. They are quite simply the result of the very profound social changes. The situation in which we have found ourselves is typical of all East European states in the post-totalitarian period.

The first stage and most important objective was the demise of communism and the overthrow of the communist party by democratic, parliamentary means, with the help of free elections. We succeeded. But in the second stage, after we, the anticommunist coalition, had taken over power, the office of president, and the entire government, the crisis began.

No longer was there a single, unequivocal anticommunist platform for everybody. Parochial interests suddenly became more important then everything else. There are certain groups that represent those who lost everything they had after the war. We have restored some of this property, but other groups have been insisting on privatization. They were recognized as communist because they opposed privatization, and were even intimidated. A war of interests between different groups commenced. Demands were presented on all sides.

Within the democratic coalition, forces have emerged calling for Bulgaria's return to its pre-war situation. A crisis has arisen, with some groups making demands, and other groups concerned about the future rather than themselves. I think these are major contradictions inside the SDS. As a result, even though the SDS won 34 percent of the votes in the elections, it is now in conflict with two trade unions, the press, the non-parliamentary (and anticommunist) opposition, the army, and the church. All this must lead to disaster.

[Michnik] You have lived through a lot. You have been an idealist, a communist, a dissident. And now you are president. What do you think is the purpose of life?

[Zhelev] The purpose of life? That is a difficult question, because it concerns things that are most important. I told you that I have no intention of becoming rich. I have no intention of being a professional politician. My motivations are of a moral nature. I adopted politics as a man of integrity, and I hope I will remain that way.

SDS Council Thanks Protest Participants

AU0607192093 Sofia DEMOKRATSIYA in Bulgarian 30 Jun 93 p 1

["Address of the National Coordinating Council of the Union of Democratic Forces to the Tent Towns of Protest"]

[Text] The Union of Democratic Forces [SDS] thanks all its supporters and sympathizers who took part in the tent towns of protest and for more than 20 days devoted their time and energies to the noble goal of providing moral support for Edvin Sugarev during his hunger strike and backing his demands.

Dear Friends,

You have once again demonstrated the power of moral protest at a time when certain forces want to turn the country back into the past.

Your campaign ended in success. The president's true face was made evident to all. The idea of holding early elections was accepted by most of the politica' forces.

Now that Edvin Sugarev has ended his hunger strike, we make this appeal to you: As you close down the towns of protest, remain with us and take part in all the future actions that the SDS will undertake until democracy gains a complete victory!

SDS National Coordinating Council.

Aleksandur Tomov Leaves Socialist Party

AU0707150793 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 7 Jul 93

[Text] Aleksandur Tomov is leaving the Supreme Council of the BSP [Bulgarian Socialist Party] and the party, Petya Shopova announced at a news conference in Sofia today. She added that Tomov had reached a decision on the issue of his personal membership of the BSP long ago, and that he is planning to explain his views publicly.

Asked if Tomov would be followed by other BSP National Assembly deputies, Shopova answered that everything will be done to ensure that Tomov does not remain alone. Shopova announced that Tomov had handed DUMA a letter for publication, in which he explains in detail the motives for his decision.

According to Ivan Todorov, the Civil Alliance for the Republic believes that it is high time for Bulgaria to formulate its foreign policy, which should be based on national consensus and be supraparty and constant. Todorov declined to indicate recent errors in Bulgarian foreign policy, but outlined the conditions that the Civil Alliance for the Republic believed it should satisfy.

Tomov Explains Grounds for Leaving

AU0807052493 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 7 Jul 93

[Text] Today Elena Poptodorova received a letter from Aleksandur Tomov in which he informed the Supreme Council of the BSP [Bulgarian Socialist Party] of his grounds for leaving the party. His decision was motivated by his disagreement with the policies followed by the BSP during the past three years. According to Poptodorova, Petya Shopova is the only BSP deputy likely to follow Tomov's example at the moment.

Minister Outlines Infrastructure Projects

AU0707151193 Sofia BTA in English 1311 GMT 7 Jul 93

[Text] Sofia, July 7 (BTA)—Bulgaria's transport system loses 150,000 leva a day because of the embargo against Serbia, the recently appointed Transport Minister Kiril Ermenkov told the press today. The Bulgarian Railways sustain the biggest losses because the main transport corridor across the former Yugoslavia is blocked. The

government has applied to the UN Sanctions Committee for transport options, including convoyed freight traffic by rail and by road through Yugoslavia, Mr. Ermenkov said.

The ministry has a good investment programme and has submitted eleven projects to the European Community as priority projects for Bulgaria. There is a preliminary agreement to set up a Bulgarian-Italian joint venture for the construction of the Trans-European Motorway. The financing of the joint venture will be negotiated by working groups, Mr. Ermenkov said. There is also the transit roads project on which there is a government decision and draft agreements for a 43-million-dollar loan from the European Bank for Reconstruction and Development and a 67 million dollar loan from the European Investment Bank. The transport minister has been authorized to sign them within the next couple of weeks.

The project for the East-West transport corridor is being studied by representatives of the three interested parties, Bulgaria, Macedonia and Albania, and by EC experts, Mr. Ermenkov said. The project was included in the regional PHARE [Economic and Reconstruction Aid for Poland and Hungary] programme for 1993 and there is an agreement in principle for its financing. Other projects are being drawn up within the framework of the programme, for which from 400,000 to 600,000 ECU [European currency units] will be needed, Mr. Ermenkov told the news conference. The Vidin-Sofia-Kulata-Thessaloniki corridor is another priority, included in the government's investment programme so as to partially offset losses due to the embargo. A master plan is being drawn up for the development of the Black Sea port of Varna. There are other projects for its enlargement, such as a ferry service between Varna and Novorossiysk (Russia), it was said at the news conference.

The gradual restructuring and privatization of transport companies are priorities in the ministry's programme for restructuring of the transport system, Mr. Ermenkov said. "Privatization in transport is making progress at a normal pace," he said. "We are not going to accelerate changes from outside to avoid undesirable developments such as asset-stripping or hasty privatization or the sale of state property at token prices," Mr. Ermenkov said. Privatization has been launched in major transport companies such as Balkan Airlines, SOMAT Inc. (the road haulier), Navigation Maritime Bulgare and the River Shipping Company, whose privatization programmes are financed under Operation PHARE. "I would not like to comment on recommendations and proposals because, under the Privatization Act, the Privatization Agency is in charge of privatization and restructuring and the ministry will probably take part in the decision making," Mr. Ermenkov said. A privatization procedure has been started for more than 50 companies, some of which will go private before the key transport companies, according to Mr. Ermenkov.

Havel: Meciar Confused Over Czech Border Proposal

LD0607181393 Prague CTK in English 1727 GMT 6 Jul 93

[Text] Kacov, central Bohemia, July 6 (CTK)—Slovak Premier Vladimir Meciar was mixing up some things a little when he criticised talks on Czech-Slovak border crossings held in Smolenice last week, west Slovakia, Czech President Vaclav Havel told journalists today.

Meciar was referring to border regulations, while at the Smolenice meeting the setting up of border crossings was discussed, Havel said, adding that the two aspects had become two different points.

The Czech proposal runs counter to everything that Czech Premier Vaclav Klaus had written to me previously, Meciar said during an interview for Slovak Radio on Friday [2 July]. The Smolenice talks were attended by the Czech and Slovak presidents and foreign ministers.

Certain statements by politicians cannot be taken at face value and what matters is the stand to be taken by the Slovak Government, Havel remarked. If no agreement is reached by July 20, when the Czech and Slovak Governments are to decide on the opening of border talks, they will each have to adopt whatever measures they deem necessary, Havel said, adding that in the run-up to the deadline, Klaus is due to meet Meciar and they are sure to take up the matter.

According to a reliable source, Klaus and Meciar should meet on July 17 or 18 during the central European initiative talks.

Klaus Feeling Better; Back Condition Improving

LD0707175893 Prague CTK in English 1712 GMT 7 Jul 93

[Text] Prague, July 7 (CTK)—Czech Premier Vaclav Klaus, who is still recuperating from an acute neurological back condition, says his condition has improved, his press secretary Klara Pospisilova said today.

Klaus was able to take part in some of today's cabinet session, which was led by Deputy Premier Josef Lux. Pospisilova said Klaus was able to work, but that he was spending most of his time convalescing at home.

Minister Outlines Citizen's Health-Care Role

AU0507171593 Prague CTK in English 1340 GMT 1 Jul 93

[Text] Prague July 1 (CTK)—The citizen's responsibility for his or her health condition should be increased, and this should have an impact on the means he or she wants to invest in health care, new Health Minister Ludek Rubas told the parliamentary Committee for Social Policy and Health today.

The newly appointed minister (June 22) stressed the active participation of every citizen in providing health services. The citizen who damages his own health should be placed at disadvantage.

Rubas wants to discuss the patient's share in health care in the government. He does not intend to limit access to health care, but wants health care to be funded from several sources.

Most measures, which he is about to implement for the sake of the transformation of the health care area, will demand legislative changes, said Rubas. It will be necessary to revise the funding of health care.

He said that a hunt for points (current rating system is based on points calculated for individual types of medical care) must stop, and the assessment of medical operations must be oriented to the result of the physicians' work, i.e. successful cure of the patient. A lump sum should be established for a given type of medical care.

The state's role should be limited to the elaboration of concepts and laws, noted Rubas. The ministry is to control and guarantee those services which the state can provide cheaper than private physicians.

I found that not all of the previous ministry's activities were in line with the government's ideas, said Rubas on the prepared changes in the structure and staff of the ministry.

Unlike Petr Lom (his predecessor), he wants to act in the government even in matters outside health care, added Rubas.

Causes of Gulf War Veterans' Illness Examined

AU0607201493

[Editorial report] Prague MLADA FRONTA DNES in Czech on 1 July on pages 1 and 2, under the headline "The War Veterans Are Obviously Suffering From Desert Fever," carries a 600-word "(km)"-signed report claiming that Czech soldiers who served in the Gulf war have serious health problems. The report quotes Peter Zelenicky, the war veterans' spokesman, who maintains that their symptoms "indicate that, with all probability, they are suffering from desert fever," which has also affected British and U.S. Gulf war veterans. According to the report, the Czech soldiers, who served with the Czechoslovak antichemical warfare unit, "have lost considerable weight, their hair and teeth have fallen out, and they suffer from chronic tiredness and bleeding gums." Zelenicky's claim casts doubt on a statement made to MLADA FRONTA DNES on 30 June by Colonel Vojtech Kubes of the General Staff. He said that the Czech soldiers who served in the Gulf "are not suffering from the mysterious illness afflicting some British war veterans." Zelenicky told MLADA FRONTA DNES that his own teeth had fallen out while he was in Kuwait and that "U.S. doctors gave us tablets. Our doctors

assumed that our teeth were falling out because we were drinking too much sweet Coca-Cola." The veterans' spokesman claims that several soldiers have already died from desert fever in Britain. According to the report, experts think the illness may be caused by "radiation from the uranium-coated heads of the missiles fired from tanks or by inhaling the waste products produced by the burning Kuwaiti oil wells."

The same paper on 2 July on page 1, under the headline "Desert Fever Has a Chemical Basis," carries a 400-word report by Jaroslav Kmenta in which he follows up on the item carried the previous day. He writes that Czech Gulf war veterans think they were affected by mustard gas and sarin, a nerve gas. He again quotes Peter Zelenicky who said that in the Gulf their "instruments registered concentrations of these substances in the atmosphere. However, the public was not informed of this, because all information was subject to strict secrecy." According to Kmenta, these gases were released into the atmosphere from an Iraqi chemical munitions dump in Mutvana, which was bombarded by allied forces shortly after the war broke out.

MLADA FRONTA DNES also quotes Colonel General Karel Pezl, the former chief of the General Staff, who confirmed that the "antichemical warfare unit had measured the increased concentration of certain chemical substances" in the Persian Gulf. However, he does not know anything about mustard gas or sarin. According to him, the Czechoslovak soldiers went to the Gulf voluntarily. "They must have been aware of the risks they were taking," he said. The paper also reports that Defense Minister Antonin Baudys, speaking at a Christian Democratic Union-Czechoslovak People's Party press briefing on 1 July, denied that "Czechoslovak troops who served in the Persian Gulf have health problems."

T-72 Tanks Modernized for Export to Asia

AU0607201993 Prague MLADA FRONTA DNES in Czech 1 Jul 93 p 2

[Reprt by "tma, lh": "Most of the Modernized T-72 Tanks Will Be Exported"]

[Text] Prague—Most of those interested in the modernization of T-72 tanks are foreign customers, Jan Vlcek, director of the Czech arms manufacturers Association R.D.P. Group, stated yesterday.

As he also said, the R.D.P. Group considers the Czech Army to be just a "secondary buyer." Priority deliveries should go to India and other Asian countries.

The purchase of the modernized T-72 tanks, on the modification of which the R.D.P. Group is to cooperate with the French firm SOFMA, will also be considered by the Czech Army.

According to the statement by R.D.P. Group Director Jan Vlcek, the ministry is favorably inclined to the T-72 project. "Minister Baudys expressed his full support and offered Army assistance in testing the modernized machines," he said.

The tank will have, among other things, a stronger engine, an automatic transmission, an automated missile-launching system, and a night-vision system. The price of the modification is estimated at $2-2.5 million. The first prototype of the new T-72 will be tested within two months.

According to our sources, modernization of the T-72 tanks is also prepared by the Slovak enterprise ZTS Martin. Poland and another Slovak manufacturer, ZTS Dubnica, are to collaborate on this project. "The antiquated Polish engines have very poor characteristics. Therefore, I believe that it will involve a qualitatively completely different machine," the head of the G.D.P. Group said.

Trade Union Accepts Labor Code Amendments

LD0707172493 Prague CTK in English 1508 GMT 7 Jul 93

[Text] Prague, July 7 (CTK)—The Trade Union Association of Bohemia, Moravia and Slovakia (OS CMS) agrees with the proposed amendments to the Labour Code, OS CMS General Secretary Zdenek Pernes told journalists today.

When some 44 per cent of employees belong to trade unions and their rights are determined only by a collective contract, the exercise of those rights should not be blocked, Pernes said.

Although they agreed with the amendments, OS CMS representatives nonetheless said there were elements in the proposed 99 changes to the Labour Code which would cause a further decrease in trade union efficiency. These included one-sided discrimination against employees on the labour market.

Also unacceptable, they said, was the exclusion of such basic principles as the right to work, the right to protection against unreasonable dismissal and discrimination, the right to satisfactory working conditions, decent pay and free health care.

However, they welcomed several things, including the tightening of penalties for breaking employment regulations.

Another association, the Czech and Moravian Chamber of Trade Unions (CMKOS), does not agree with the amendments.

Meciar Views 'Serious' Problem of Benes Decrees

LD0407181793 Bratislava STV 1 Television Network in Slovak 1710 GMT 4 Jul 93

[Regular nationwide television address by Premier Vladimir Meciar—live or recorded]

[Excerpt] [passage omitted] The rights guaranteed by the European standard will be observed in Slovakia. We will, moreover, strive for their further development, but should any political grouping, any kind of group of officials or deputies push us beyond the frame of minority rights recognized in Europe, there will be no common road for us.

During the process of our admission to the Council of Europe, the historically unresolved issue of the Benes decrees was reopened. It is an extraordinarily serious problem which has not been adequately dealt with by history, and the corresponding conclusions have not been drawn from all the facts ensuing from these decrees. If we want to follow the road of democracy, we must accept the positive content of these decrees, which meant the liquidation of the base of fascism and of fascism as a system and its legal code. If we want to continue on our road, we must study relations between countries built on principles different from the purely postwar settlement of the outcome of the Second World War. That is a closed process which cannot be revised today and adjusted to benefit those who lost the war.

In the context of the Benes decrees, it is necessary to unambiguously state that although they also concern the Slovak Republic, the direct impact is on the Czech Republic. The government of the Slovak Republic will not take steps damaging the interests of the Czech Republic. On the contrary, we have asked, through the mediation of the ambassador, for close coordination and cooperation during the solution of this issue, which is without a doubt socially very important.

If the Slovak side is being asked to apologize for the application of the principle of collective guilt, we have the right to ask those who committed crimes against this nation, this republic, by killing people, causing the result of the Second World War, to also apologize. [sentence as heard] The principle of equality of parties is valid for all parties. We cannot harbor the feeling of guilt for fighting against fascism. That was an achievement and a light moment of history of which we will always be proud and on which we will build our future. [passage omitted]

Bill Permitting Use of Foreign Names Approved

LD0707203993 Prague CTK in English 1934 GMT 7 Jul 93

[Text] Bratislava, July 7 (CTK)—The Slovak National Council (Parliament) today approved a bill on the use of foreign first names and surnames which was one of the conditions for Slovakia's admission to the Council of Europe.

The law, which was passed after long procedural debates, is chiefly of concern to the 600,000 Hungarians living in Slovakia. Although it deals with the use of names in a general way, the most important change is the liberalisation of rules concerning the addition of foreign names to the list of names officially allowed in the Slovak Republic.

It also allows first names and surnames to be used in their foreign language forms in accordance with the rules of Slovak spelling and without transcription into Slovak. Women are allowed to omit the Slavic ending -ova from their surnames.

After the bill was passed, Laszlo Dobos, a deputy of the Hungarian minority party Souziti, expressed respect for the Slovak Parliament and healthy reason.

In passing the law, the Slovak National Council is complying with one of the two recommendations concerning minority rights made by the Council of Europe when Slovakia was admitted to the council last week.

The parliament also passed a resolution requiring that it start negotiations with Hungary on the possibility of Slovaks living in Hungary using Slovak names.

This evening sees the first training session of the Slovak Parliament's football team at Ruzinov Sports Club.

Parliament Approves Amendment to Penal Code

AU0807101493 Prague CTK in English 1504 GMT 6 Jul 93

[Text] Bratislava July 6 (CTK)—The National Council of the Slovak Republic (parliament) passed an amendment to the Penal Code today, according to which tax evasion, counterfeiting, and unauthorised possession and production of nuclear materials will be more severely punished.

The amendment also covers unfair competition, unauthorised possession and production of narcotics, violation of animal protection statutes, and unauthorised operation of lotteries.

EBRD Loan for Infrastructure Approved

AU0607201893 Bratislava HOSPODARSKE NOVINY in Slovak 1 Jul 93 p 2

[TA SR report: "The European Bank for Reconstruction and Development Will Help Us"]

[Text] "The approved loan of 66 million ECU [European Currency Unit] by the European Bank for Reconstruction and Development [EBRD] will be spent on the development of the infrastructure, telecommunications, and the private sector in Slovakia." This is what R. Westling, EBRD manager for Slovakia, said at a news conference yesterday. The goal of the EBRD is to strengthen the strategy of the orientation of the Slovak economy, stressing small and medium-size enterprises,

restitution, and the financial sector. A group of EBRD experts are working on credit lines for enterprises and international trade in Slovakia. In September this year, the EBRD will open its office in Bratislava with the aim of harmonizing cooperation between the EBRD and the economic sector of the Slovak Republic, developing monitoring of statistical data, and establishing an information network on private enterprise.

Conditions for Plant's Completion Outlined

AU0707133993 Bratislava NARODNA OBRODA in Slovak 1 Jul 93 p 2

[Report by Daniela Zverkova: "The Decision About Mochovce Will Be Made at Talks in Munich"]

[Text] Bratislava—The Bratislava-based Hydrostav company began construction on the Mochovce nuclear power station in September 1982. As early as 1986, the builders forecast at least 3,000 additions to the project; hurrah for the system!

To date, the station's construction has cost more than 17 billion korunas, while the first and second blocks have been 90 percent completed. Given the current price relations and safety conditions, it will cost another 1.3 billion German marks [DM] to complete the project. This is just for the first two blocks. The other two—which are also under construction and in which some 6.0 billion korunas have been invested—will, in all probability, end up being mothballed indefinitely.

It Is Necessary To Write Off the Project's Debts

"Financing the completion of the Mochovce nuclear power station is causing us a lot of headaches," said Economics Minister J. Kubecka during a break at the most recent Slovak Government session. He added that this is a legacy from the past and that we have to come to terms with it. (We certainly have no choice.) A consortium of European banks is offering to put up the money at relatively acceptable interest rates; however, under the condition that the project's debts are written off. The state budget via the investor—the Slovak Energy Enterprise (SEP)—owes suppliers 6.8 billion korunas. "The government has talked at length about a method for writing off the debts. Several suggestions were put forward. Finally, we agreed that the National Property Fund will be endowed with the debts," explained Kubecka. He did not forget to mention that the reason for this decision is mainly that, when the project was registered, the SEP should have received 7.1 billion korunas from the state budget, but it received only 443 million. It had to pay the difference from its own resources and from credits. At the same time, last year—along with another four of the most solvent enterprises in the economy department—it made a profit of 11 billion korunas. If the state were not to settle its debts, the SEP would make a loss instead of a profit and would not fulfill its levy obligations toward the state budget, which is not its aim.

An Independent Legal Entity

The nuclear power station's transformation into an independent legal entity is the second condition set by the international consortium. This is not so simple as it would first seem, primarily because everything constructed in the project so far is—until the station is handed over prior to the start of its operation—the property of the suppliers (they register it as supplies) and not the SEP.

"We have approved the establishment of a limited company made up of all the suppliers. After its completion, the company will hand over the project to SEP," explained Kubecka. It was apparent from what he said that the situation is also complicated by the recently approved concept for restructuring and privatizing the energy industry, including the SEP. One solution may be its division into two shareholding companies, the Slovak Power Stations and the Distribution System. The Slovak Power Stations would assume responsibility for all the undertakings involved in the Mochovce project.

Guarantees for the Loan

Another problem is created by the state budget guarantees for DM1.3 billion, which is beyond the powers of the economy department. A change has to be made to the state budget, a change to which the National Council of the Slovak Republic must agree.

The method of repaying any credit provided by the consortium of European banks is also problematic. They are demanding electricity supplies at a reduced price for a period of 12 and a half years. However, what is worse is that the distribution system is not yet ready to transfer to Germany the amount of electricity demanded. There is no distribution network, or any other outlet, leading from Stupava to Austria.

It is worth mentioning that we intend to import 10-20 percent of the electricity consumed in Slovakia. Kubecka commented that, under market conditions, it is quite normal for this particular commodity to be imported and exported at the same time. "I am not, however, very enthusiastic about having to take out a loan to complete the construction of a nuclear power station in our country and then having to pay back the electricity produced," he added. In this respect, it is also important that, in the event of an agreement being reached with the foreign consortium, we would have to wind up operations at Jaslovske Bohunice before the end of this decade, which is an acceptable condition.

Talks will be held with the foreign consortium in Munich on 5 July. If they are not successful... "I would rather not even think about that," said Kubecka.

Poland Introduces Transit Fees for Slovak Tourists

AU0807095793 Prague CTK in English 1857 GMT 6 Jul 93

[Text] Prievidza/Trstena, Central Slovakia July 6 (CTK)—A bus filled with Slovak tourists headed for Poland turned back at the border today after learning that every passenger had to pay 70,000 zloty, roughly 130 Slovak crowns (approximately 4 USD), a border official at the Trstena-Chyzne crossing told CTK today.

The decision of Polish customs offices to collect fees went into effect July 5 and affects all participants of bus excursions.

Customs employees say that certain problems could arise on Thursday [8 July], which is market day in several Polish towns. Several hundred Slovaks cross the border for these markets every week, and not all are aware of the new fees.

The introduction of the fees is generally considered to be a retaliatory measure by the Polish customs offices against the collection of cautions by Slovak customs authorities. Polish citizens transporting goods across Slovak territory must put down cautions of up to 100 percent of the value of the goods, and often encounter difficulties getting the money returned to them when leaving Slovakia.

Tkac: No Change in Exchange Rate

AU0707114793 Prague CTK in English 1219 GMT 3 Jul 93

[Excerpt] Bratislava July 3 (CTK) [passage omitted] The daily PRAVDA carries an interview with Slovak National Bank Vice President Marian Tkac who says that no principal change in the Slovak crown exchange rate was agreed upon at the Bank Council's meeting on Thursday [1 July]. Referring to the position of Slovak commercial banks, which are convinced that the Slovak currency should be devalued, Tkac says that commercial banks have the right to speculate and consider various possible variants of further currency development. But they are using solely their own information, he adds. [passage omitted]

Moravcik Views Entry to Council of Europe

AU0807104393 Bratislava NARODNA OBRODA in Slovak 6 Jul 93 pp 1, 2

[Interview with Foreign Minister Jozef Moravcik by Peter Fridner; place and date not given: "J. Moravcik: The EC Twelve Has Helped Us"]

[Text] Bratislava—We began the interview granted by Foreign Minister Jozef Moravcik to NARODNA OBRODA during the last long weekend [4-6 July] by recalling the unpleasant runup to the Slovak Republic's admission to the Council of Europe.

[Fridner] What led the head of the Slovak diplomatic corps to make pessimistic forecasts on the eve of the meeting of the Council of Europe's parliamentary meeting?

[Moravcik] I based my forecasts on a discussion that I had had with Hungarian representatives. I had really no reason for optimism. Since Hungarian diplomacy is known to me, I know that it can be very pushy, not to say even stubborn in some cases. Sometimes they are unable to take the wider perspective. For this reason, I was practically convinced that, despite the efforts of the Slovak Republic and pressure from other countries, the Hungarians would adhere to their original position on the matter of Slovakia's membership of the Council of Europe. Even the beginning of the debate had to be postponed for several minutes, since their standpoint was expected to come at the last moment.

[Fridner] Was your opinion strengthened by your preceding talks with Hungarian Foreign Minister Geza Jeszenszky in Visegrad? Can you tell us something more about them, although there was an agreement that they should remain confidential?

[Moravcik] In fact, I have already said it. In our talks we repeated, both we and they, all our arguments. We tried to explain the problems in a wider context, particularly with respect to future relations between Slovakia and Hungary. These relations of ours should be relations between partners within the framework of the European Community, that is, they should be based on mutual trust. It is our task to establish a basis for mutual understanding in the years to come. I realize that here we had a chance to go even further. However, I hope this chance has not been lost and it still exists.

[Fridner] What did Slovak diplomats do in those critical days to neutralize the negative influence of their Hungarian counterparts?

[Moravcik] We undertook a major program through our diplomatic offices, and, at the same time, we used bilateral talks at ministerial level to explain our position and to acquire the trust of diplomats of other countries.

[Fridner] Could you give us a specific example?

[Moravcik] I would like to put it all on a more general level. I believe that the European Twelve played a major role in our favor. And I must say, not only in our favor, but in favor of all Central Europe. The EC unequivocally supported accepting the Czech Republic and the Slovak Republic simultaneously as soon as possible. This does not mean—and I want to stress this—it does not mean doing any favors for Slovakia, but it does show their interest in stability in Central Europe.

[Fridner] Can we say, then, that this interest has overridden the reservations based either on our own shortcomings or on the concentrated efforts of the Hungarian diplomatic service?

[Moravcik] In such a situation, trust is the decisive factor. It is quite clear to everyone that of all the countries involved there is not a single one that would be without problems in that respect. The thing is whether there is trust in the capability of the country applying to manage its affairs in a manner befitting membership of the Council of Europe. From Hungary's attitude it has become obvious that Hungary does not trust the Slovak Republic. We are very happy that other countries trust us and were able to persuade the Hungarian side to accept our membership. To us, this is a great responsibility.

[Fridner] When did you learn that our application had been successful and how did you feel?

[Moravcik] I learned it immediately after the decision had been made. The was no actual formal voting. The fact that the Hungarian side had abstained was entered in the minutes. That is, all the others accepted the proposal. When our ambassador to the Council of Europe announced the result—since we were not allowed to be present at the debate—it was quite a pleasant surprise for me. Up until the last moment I was expecting the Hungarian side to veto our admission. We were preparing to make certain efforts, should this be the case, to bring about a meeting of ministers several days later. They would be represented by their ambassadors, and voting would take place, the issue to be decided by a majority.

[Fridner] Was the Hungarian side acting under international pressure, or under its own volition, when it found out that its efforts had been unrealistic?

[Moravcik] This is my private opinion, but I believe that the standpoint of all the countries involved was decisive.

[Fridner] Could we say that, in this situation, Europe reacted with displeasure to Hungarian efforts to push for more in the matter of the ethnic minority issue, more than usual by European standards?

[Moravcik] It would be improper to discuss this issue in such a context. I believe that Europe realizes that it would be very useful to adopt a charter that would represent such a standard. This would help prevent such disputes. It is certain that Europe would accept any development that moves beyond the standard, and regulations that would do so, tooh. In this particular case, however, it was not the most important issue.

[Fridner] Did it seem to you that some European powers reacted negatively to the Hungarian side bringing up the issue of the Benes decrees issued after World War II?

[Moravcik] I do not believe that this argument has found any great support. Anyway, this can be seen in the supplement that was squeezed through by a narrow majority, and that applies to this issue. There is no mention about the Benes decrees, and the principles of collective guilt are mentioned only in general. In this spirit, as it has been adopted, it fully corresponds to the policy of the Slovak Republic. Our government has already presented a bill in parliament to go a stage further on the restitution of land property. (We are dealing here mostly with the consequences of the president of the republic's [Edvard Benes] Decree No. 33 of 1945, by which Czechoslovak citizenship was taken away from many people of German and Hungarian origin—editorial note.)

Meciar Departs for Two-Day Visit To Germany

LD0707163993 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1500 GMT 7 Jul 93

[Text] Slovak Premier Vladimir Meciar left Bratislava today for a two-day working visit to the Federal Republic of Germany.

He is to address prominent politicians, economists, and financiers tomorrow [8 July] on the subject of "The political and economic transformation of the Slovak republic at the time of European integration."

Goncz Welcomes Slovak, Czech Republics to CE

LD0707202893 Budapest MTI in English 1926 GMT 7 Jul 93

[Text] Budapest, July 7 (MTI)—"As all European countries have a place in the Council of Europe [CE], I welcomed the admission of Slovakia and the Czech Republic to the organization," Hungarian President Arpad Goncz told foreign journalists on Wednesday.

He hoped problems between Hungary and Slovakia would be settled, including the Benes Decrees, municipality borders and the use of Hungarian first names and bilingual city name-plates.

Goncz thought the Slovak president's planned visit to Hungary would take place in a "good atmosphere" given the impact of forthcoming agreements.

On the south Slav crisis, Goncz said Hungary expected to be compensated for embargo-related losses. He stressed the need for peaceful methods to end the war and guarantees that all minorities could live in peace.

On his trip to Russia, he confirmed that relations between Moscow and Budapest were "without clouds".

Coalition's Majority in Parliament Down to Three

LD0607165493 Budapest MTI in English 1521 GMT 6 Jul 93

[Text] Budapest, July 6 (MTI)—Hungary's governing coalition's majority in parliament fell to three after two Hungarian Democratic Forum [HDF] MPs left the HDF group to be independents.

HDF MPs Peter Szel and Zoltan Varga's departures were announced by Parliament Speaker Gyorgy Szabad on Tuesday. So the majority of the governing coalition in parliament dropped to three. The HDF parliamentary group, largest in the ruling coalition, has 137 members, the Independent Smallholders' Party 36, with 24 MPs in the Christian Democratic People's Party. The 197 MPs make up 51 per cent of the 386-member assembly. A majority vote needs 50 per cent plus one MP, i.e., 194 MPs.

After 1990's elections, MPs of the three governing coalition parties totalled 230, 59.6 per cent, with the HDF at 165, the Smallholders 44, and the Christian Democrats 21 MPs. Changes since in the HDF and the Smallholders' Party have cut numbers, several MPs becoming independents or joining other parliamentary groups.

Hungarian Justice Group members, formed by MPs who left the HDF group, have said they do not seek to topple the government but, before each vote, they will make their own decision.

Csurka Discusses Making Recent Confession

LD0107224793 Budapest Kossuth Radio Network in Hungarian 1630 GMT 1 Jul 93

[Excerpts] On the day that the new government was sworn in, in 1990, [Prime Minister] Jozsef Antall called me in to see him during the lunch break in the parliament building and told me in private, in the crowded corridor, that in connection with the Interior Ministry scandal, the Dunagate affair [reference to revelations of secret police in the Ministry's III/III department bugging opposition members], my dossier had been found among the material which came into the hands of the Alliance of Free Democrats [SzDSz] and that they would probably publish it or leak it together with several other documents.

These remarks appear in the confession of Istvan Csurka which he published in MAGYAR FORUM under the title: X-Ray. [passage omitted]

What I am responsible for is merely a signature, Csurka says in a conversation with Katalin Kondor. [passage omitted]

[Begin recording] [Kondor] As a matter of fact, why did you make this so-called confession with which you have created such a storm in Hungarian political life since yesterday?

[Csurka] It was my moral duty. I would have found it rather hard to operate in the days ahead with this whispering campaign behind my back. There was also a very rational political reason. We will hold the first national conference of the Hungarian Way Circles Movement [rightwing grouping which seceded from the ruling Hungarian Democratic Forum [MDF]] on Saturday [3 July]. I cannot stand up in front of them without having made this revelation and I cannot appear the next day, Sunday afternoon, at our national rally on King's Hill, in the city park, until this issue is cleared up. [passage omitted]

On the face of it, it may seem that I have been forced into this confession, but I allowed them to do so because I planned to do it anyway. Obviously, I would have made this confession differently if these preliminary rumors had not been circulating and if the noose around my neck was not being pulled tighter. As I say, I expected it, I would have done it in any case. What was I to do if this movement really takes off. I would constantly have a gun at my head, I would be blackmailed by this. What is at issue here is removing the possibility of my being blackmailed. [passage omitted]

[Kondor] Why have you come out with this now when you could have done it three years ago? [passage omitted] Has something accelerated things in the past year, or do you have the outline of some future event in your vision which made you decide to do this?

[Csurka] [passage omitted] Well, this has become increasingly sharper in the course of the political struggle

and now that I am working to launch a new movement—and alongside it another party is also being launched—it is clear that I cannot remain in a state of uncertainty. If I am needed by the people who have believed in me until now, then I will continue. But if they say—and nobody else but they—no Csurka, you are not needed in this way anymore, then I will understand but I will not accept it from anybody else. [passage omitted]

[Kondor] Say, speaking hypothetically, I agree to assassinate someone because, say, this is the only way that I can save myself, and, subsequently, I work incessantly to help the potential victim to escape; what's more—either covertly or overtly—I help him to escape in a way that is hidden from those who hired me, then I think that I should not be measured by the same criteria as someone who carries ot the assassination without hesitation, even if he was also forced into it.

[Csurka] This is roughly the case. What I am responsible for is merely a signature and I have not denied this. [passage omitted] Staying with this analogy, I would add that I have obviously not committed murder. I would add that I did not have the means to help people either because the III/III department managed to direct this with them for 15-30 minutes at a time, but they were unable to extract anything from me and no one could come to harm as a result of this. It was mainly a great burden on my conscience. [passage omitted]

[Kondor] Was it members of your own former party who kept raising the past or were there people from outside, too?

[Csurka] Those outside also did it but this issue kept being raised primarily in internal crisis situations of the MDF. [passage omitted]

Minister Views Dam Dispute With Slovakia

AU0707150993 Budapest MAGYAR HIRLAP in Hungarian 5 Jul 93 p 4

[Interview with Environmental Protection Minister Janos Gyurko by Janos A. Szilagyi; place and date not given: "The Quick Settling of Issues Is Hopeless"]

[Text] The issue of the Bos river dam has been poisoning Hungarian-Slovak relations for a long time. To settle the issue, the two sides turned to the International Court in The Hague but, according to experts, the final word from the capital of the Netherlands will take years. We asked Environmental Protection Minister Janos Gyurko whether the Hungarian position on the acceptance of Slovakia into the Council of Europe could mean progress in solving the Bos issue.

[Gyurko] The debate on Slovakia's membership of the Council of Europe and the Hungarian position on the matter could eventually only benefit a more favorable solution of the Bos issue. The Hungarian attitude, the warning, and then the Hungarian abstention during the vote must produce positive reactions from the Slovak side. Besides, the Bos issue has finally moved away from a stalemate recently. The procedure in The Hague has begun, and the two sides exchanged documents in Brussels; things cannot be delayed further. Until the decision is taken, and in accordance with the submission document, we should agree on the temporary distribution of water. This is now the most important and most urgent issue.

[Szilagyi] In your opinion, has the Slovak position become more flexible, or do they continue to be unwilling to allow more water into the original Danube bed?

[Gyurko] The Slovaks are coming up with the most impossible offers. They continue to disregard European requirements. The water distribution system suggested by the EC experts was only accepted by Hungary. By every means possible, Bratislava is trying to hinder the implementation of this agreement; Bratislava recently came up with an even more disadvantageous proposal than the previous one. It seems that, in the near future, there is no hope for settling the problems by means of negotiations.

[Szilagyi] Could Slovakia's recent acceptance by the Council of Europe help in further talks on the distribution of water and in the assertion of the Hungarian position?

[Gyurko] Indirectly, it could be of some help, but I do not think this will lead to direct results. According to our experience, Slovakia's national interests very rarely appear in the decisions connected with the Bos river dam. The matters connected with the Bos issue are generally dealt with on the Slovak side according to the will of a narrow interest group, namely people personally interested in the construction and operation of the Bos project.

[Szilagyi] Last week, Parliament dealt with the issue of the water supply to the Szigetkoz area. With a majority vote, the deputies asked the government to submit the water supply system decided earlier to parliamentary debate. At the same time, it is known that neither the Environment Ministry nor the relevant parliamentary committees supported the government plan. What will happen to the Szigetkoz area now, because the area needs urgent action?

[Gyurko] The Environment Ministry has worked out a temporary solution by which we can partially supply water to the Szigetkoz flood area by distributing the flow of the Mosoni Danube. According to our plans, this operation can begin at dawn on 7 July.

[Szilagyi] What will be the fate of the government plan on which several hundred millions of forints have already been spent this year?

[Gyurko] Parliament has the authority to decide on this matter. If the majority rejects the plan, obviously a new solution will have to be worked out. We have worked out

a water supply system based on the Mosoni Danube precisely in order to halt the further deterioration of the vegetation in the Szigetkoz area.

[Szilagyi] What about the rehabilitation project in Nagymaros? Can the restoration already begin there?

[Gyurko] Restoration work is coordinated through the Danube Rehabilitation Office. The Environmental Protection Ministry can only stipulate certain conditions. Our ministry is now working on creating a national park in the Danube-Ipoly area. In our concept, we would create a protected area here that would incorporate both natural and cultural values. Our supplementary budget contains a few hundred million forints for the beginning of construction. The planning phase is over, and concrete work should start sometime in August or September this year.

Parliament Passes Law on Minorities

LD0707210993 Budapest MTI in English 2029 GMT 7 Jul 93

[Text] Budapest, July 7 (MTI)—Hungary's Parliament has passed the bill on national and ethnic minority rights on a vote of 304 to 3 with eight abstentions.

The law bans all kinds of discrimination against minorities and regards their rights to national and ethnic self-identity as part of universal human rights and basic freedoms. The law recognises national and ethnic minorities as all ethnic groups which have lived in the Republic of Hungary for at least a century and who are Hungarian citizens and have their own language, culture and traditions.

These groups include Bulgarians, gypsies, Greeks, Croats, Poles, Germans, Armenians, Romanians, Ruthenes, Serbs, Slovaks, Slovenes and Ukrainians.

The law recognises non-assimilation of minorities into the majority nation. As for individual minority rights, people have the exclusive and inalienable right to accept and declare affiliation to a national or ethnic minority.

Minority citizens are also entitled to learn and foster their native language, history, culture and traditions, and to attend native-language education. Minorities can set up local and national municipalities, societies, political parties and social organizations, and have a right to parliamentary representation under a separate law.

Economic Links With Germany Continue To Grow

LD0607085993 Budapest MTI in English 0713 GMT 6 Jul 93

[Text] Budapest, July 6 (MTI)—Hungary does about 30 per cent of its foreign trade with Germany. German businesses have invested 16 per cent of the over USD [U.S. dollars] 5 billion foreign capital to date put into Hungary. The number of Hungarian-German joint ventures shows a steady rise: by mid-1993, more than 3,000 firms were set up with either German or German-Hungarian capital. The German-Hungarian Chamber of Industry and Trade was set up on May 7, 1993, in order to further expand relations between the two countries.

Germany continues to be Hungary's largest economic partner. The value of trade turnover between the two countries in 1992 was more than USD 6 billion. In 1992, 27 per cent of Hungarian exports went to Germany, valued at DM [German marks] 4.5 billion, and 24 per cent of imports, worth about DM 5 billion, came from Germany. Bavaria and Baden-Wuerttemberg shared 45 per cent of Hungarian exports to Germany. An additional 20 per cent of Hungarian exports were to North Rhine Westphalia.

According to Hungarian Minister of International Economic Relations Bela Kadar, another main target for Hungarian foreign economic strategy is northern Germany, and within that Hamburg. A Hungarian presence in the Hanseatic city is all the more important as a significant proportion of Hungarian overseas deliveries go through the port of Hamburg.

As an important change in Hungarian-German economic relations, the decline in trade with eastern Germany, a process that started with political transformation, has ended. Hungary would like to cooperate with the reemerging Saxon-Silesian-Czech industrial triangle. As the first step, it has signed an agreement on cooperation in trade, tourism, science, culture and education with Saxony, which will shortly restart deliveries of farm machinery components.

Experts count on major growth in German-Hungarian trade turnover from promoting inexpensive and environment-friendly Danube freight shipping. The opening of the Main-Danube Canal (the Europe canal), a waterway connecting 13 countries, furthers this aim. Regular river shipping between Hungary and Germany began early this year. The joint ventures of German firm Bayerischer Lloyd and Hungarian firm Hungarocamion, Hungaro Lloyd Regensburg, and Hungaro Lloyd Budapest aim to organize the Danube shipment of containers. The barges that carry 58 lorries enable trade between Budapest and Passau far more cheaply than by road. An annual 30,000 vehicles could be removed from the roads with this environment-friendly method.

Hungary's share in German foreign trade is little more than 1 per cent, although Hungary does precede countries like, for instance, India, Brazil or Canada. At the same time, Germany is Hungary's second largest capital investor, after the United States. Over the past three years, about 16 per cent of all foreign capital invested in Hungary was from Germany. German firms have a long-term economic strategy in Hungary. By the end of 1992, from among the largest German investors, Allianz invested USD 125 million in the privatization of the Hungaria insurance company, Siemens USD 100 million

in Hungarian telecommunications and its Hungarian shop network, and Reemsta USD 60 million in the privatization of the Debrecen tobacco factory. Siemens is one of the major renovators of the Hungarian telephone network, and currently has an order for 450,000 electronic-digital telephone link-up units.

German investment in general contributes to employment and to the rise in Hungarian exports. For instance, Stollwerck, investing DM 60 million in the Hungarian confectionery industry, is to build a new bakery that is expected to provide work for several hundred people, and will provide 10 per cent of Stollwerck's annual total output. The engine factory investment by Audi, launched recently in Gyor, western Hungary, also promises a similar stimulus.

Germany also figures prominently in Hungarian tourism. Central Statistical Office figures show that German tourists accounted for 1.9 million (34 per cent) of the 5.6 million foreign guest nights spent in Hungarian hotels in 1992.

Relations between banks are also vital to bilateral economic ties. Over the past eight years, 18 Hungarian bonds were sold on German money markets to a value of DM 5.7 billion. In 1993, a consortium led by the Deutsche Bank issued Hungarian bonds valued at DM 1 billion. The Bayerische Hypotheken Und Wechsel-Bank Ag and the Commerzbank both opened representations in Hungary, each with equities of HUF [Hungarian forints] 1 billion (DM 20 million).

Two major professional economic organizations have been set up in 1993 to boost bilateral economic relations. The German-Hungarian Chamber of Industry and Trade, set up on May 7, is headed by the chairman of the German Chamber of Industry and Trade's Foreign Economic Committee, Dr Hans Messer. The other organization is the Hungarian-German Economic Club, whose presidents are Hungarian Minister of International Economic Relations Bela Kadar and the former minister-president of Baden-Wuerttemberg, Lothar Spaeth.

Costs for Servicing Domestic State Debt

LD0607175393 Budapest MTI in English 1636 GMT 6 Jul 93

[Text] Budapest, July 6 (MTI)—Servicing the domestic state debt is expected to cost net HUF [Hungarian forints] 225.5 billion next year, up by HUF 93.3 billion on this year, according to the 1994 budget currently before parliament.

The government is forecasting revenue of HUF 63.7 billion and expenditure of HUF 289.2 billion in relation to the state debt. Revenue from state debt will be HUF 2.3 billion up on 1993 as a result of an increase in the withholding tax on personal bank deposit interest and an increase in income from Jamburg gas. At the same time expenditure is expected to increase rapidly with repayment of principal sums on loans up by HUF 45 billion and the interest burden up by HUF 50 billion. Repayment of principal sums will cost HUF 69.226 billion next year.

Interest on Central Bank loans will amount to HUF 61.953 billion, HUF 48.2 billion of which is on loans taken out before the end of 1990. HUF 54 billion in expenditure will result from the payment of interest and commission on state bonds issued to finance the budget deficit. This is 25 per cent of the total interest burden. Interest on other state bonds (issued for credit consolidation, or against the Central Bank's rouble claims) amount to HUF 42.9 billion. Interest and commission on interest-bearing and discount treasury bills currently traded or yet to be issued will amount to HUF 31 billion in 1994. Other interest and commission payments will amount to HUF 30 billion.

Minimum VAT Rate of 10 Percent From 1 Aug

LD0707193193 Budapest MTI in English 1817 GMT 7 Jul 93

[Text] Budapest, July 7 (MTI)—MPs passed the VAT [value-added tax] amendment bill on Wednesday evening, 172 to 137 votes with eight abstentions.

From August 1, value added tax rates will be 25 and 10 per cent and the 0 and 6 per cent brackets will be scrapped, except the no VAT on medicines will stay till the end of next year.

One-off compensation to certain social groups for the extra costs passed on a vote of 262 to 42 with eight abstentions.

PAP Views Formation of Coalitions

LD0707211993 Warsaw PAP in English 2025 GMT 7 Jul 93

[Text] Warsaw, July 7—The Christian National Union (ZChN), one of the ruling parties, declared on Wednesday [7 July] that it would run in the September elections on its own. Nevertheless it is willing to put on its electoral lists some independent candidates or members of other parties who have similar ideas and programme as the ZChN.

However, the Peasant Agreement (PL), so far the ZChN's partner in negotiations on organising a joint electoral bloc, sustained its offer of cooperation with the ZChN. "We have always thought that Poland needs a Christian-peasant-national coalition. Much to our surprise and pain the ZChN decided to give it up," PL leader Gabriel Janowski said on Wednesday.

Meanwhile, a new election committee set up on Tuesday by the Party of Christian Democrats (PChD), the Conservative Party (PK), the Peasant-Christian Party (SLCH) and the Federation of Polish Entrepreneurship is ready to accept all political and social organisations which want to participate in the coalition of Christian and patriotic forces, reads the coalition's communique published on Wednesday.

According to the bloc, the forthcoming election campaign will focus on economic problems which makes it necessary to limit ideological disputes and reach an agreement on most vital issues, that is, supporting Polish businessmen and protecting agriculture. The bloc will aim to reform state's structures and to decentralise them so that local governments have more power, reads the communique.

Also the Movement for the Republic of Poland (RDR) has not rejected the offer to cooperate with other political groups within the "Polish Unity" electoral bloc. The RDR representative Antoni Macierewicz said in a radio interview on Wednesday that his party is ready to continue talks, an offer presented by Centre Alliance (PC) leader Jaroslaw Kaczynski.

The talks are to be carried out despite the fact that the RDR leader Jan Olszewski after misunderstandings with the "Polish Unity" refused to join its electoral committee and on Tuesday set up a new bloc called "The Coalition for the Republic of Poland" comprising seven rightist parties.

In another development, the Confederation of Polish Employers which does not itself support any party decided after a series of meetings with representatives of a number of political parties that its members may run in the elections on the tickets of those organisations whose programmes are in favour of free market economy reforms. These include the Non-Party Reform Bloc (BBWR), Liberal Democratic Congress (KLD), Conservative Party (PK), Polish Peasant Party (PSL), Democratic Left Alliance (SLD), Democratic Union (UD) and Union of Labour (UP).

The Democratic Union (UD) announced on Wednesday that all its electoral lists will include representatives of the Ecological Option. The union which has its own ecological fraction does not think the economic development is possible without observing the rules of environmental protection.

Parties Form 'Coalition for the Republic'

WS0807080693 Warsaw RZECZPOSPOLITA in Polish 6 Jun 93 p 2

[Report by Marcin Dominik Zdort: "The Competivite 'Tickets of Death'"—last paragraph is attributed to Sylwester Walczak from New York]

[Text] Leaders of several groupings close to Jan Olszewski decided to form the Coalition for the Republic with the former prime minister at the head. At the same time, they attacked the leaders of the Polish Unity electoral committee.

The negotiations that brought to life the Coalition for the Republic were attended by Jan Olszewski, Antoni Macierewicz, and Romuald Szeremietiew (all from the Movement for the Republic), Kornel Morawiecki (the Freedom Party), Kazimierz Switon (the Upper Silesian Christian Democracy), Roman Bartoszcze from Patrimony [Ojcowizna], Tadeusz Okrasa (the Christian Democratic Peasant Forum), Zbigniew Motyczynski (Pilsudski's Soldiers Association), and Seweryn Jaworski. The above politicians also issued a declaration that said: "In violation of the elementary rules of loyalty, the Polish Unity was split, and the name of this electoral committee, which had begun to earn people's approval, was poached. It is the leaders of the electoral committee Polish Unity who should be held personally responsible for this."

The Coalition for the Republic does not entirely reject the possibility of agreement with Jaroslaw Kaczynski. However, it is not going to take advantage of the privilege to which the RdR [Movement for the Republic] is entitled, and will be registered based on the signatures put on the lists of its candidates.

Obtaining 150,000 signatures is currently impossible, said Jaroslaw Kaczynski at the press conference on 6 July. The PC [Center Accord] leader stated that if the rightist parties ran on two separate electoral tickets, these would be the tickets of death. I am ready to meet with Jan Olszewski at any time, said Kaczynski. We can forget about the way they argued with the Polish Unity. The first place on our coalition's electoral ticket is still waiting for Prime Minister Olszewski, assured the PC leader

A leaflet was circulated in the Polish emigrant communities from Chicago urging the collection of funds for the "Independent Bloc," which was described as the "circles

rallied around Jan Olszewski, his adherents, such as Jan Parys, Antoni Macierewicz, Piotr Naimski, and others." The leaflet is signed by the "Committee in Support of Independent Bloc" from Chicago.

SLD's Kwasniewski Discusses Election Prospects

AU0607174093 Warsaw GAZETA SWIATECZNA in Polish 3-4 Jul 93 p 3

[Interview with Aleksander Kwasniewski, leader of the Democratic Left Alliance, by Agata Nowakowska; place and date not given: "We Will Not Be Vetting Ourselves"]

[Text] [Nowakowska] When will the left take power in Poland?

[Kwasniewski] I am not a prophet. In the elections, the SLD [Democratic Left Alliance] wants to demonstrate that the influence of the left is growing. Whether it is enough to participate in government is something that I do not know.

[Nowakowska] If the SLD wins the elections, would it be able to find partners to form a coalition?

[Kwasniewski] The isolation of the SLD is proof of the political immaturity of our opponents. It is time to end the discussion about the past, trying to outbid each other about who suffered the most and who has what services to his credit. Coalitions should be formed around programs, and not on the principle: This person has a good past, but I do not like him.

[Nowakowska] With which groupings would the SLD like to cooperate and with which ones would it not like to cooperate?

[Kwasniewski] It seems to me that talks would be impossible today with the ZChN [Christian-National Union] and the Polish Union. It is true that the KPN [Confederation for an Independent Poland] also appeals to working people, but it suffers from a serious antileft obsession. There is a chance of achieving compromises with other groupings.

[Nowakowska] Are you not afraid of the BBWR [Non-Party Bloc in Support of Reforms]?

[Kwasniewski] The BBWR does not pose a threat to the SLD, it is not our electorate. The plus about it is that it might attract people into taking part in the elections. However, I find the mixture surprising: four groups, the 21 theses, Olechowski, the "Network" [Siec], businessmen, and 300 million zlotys for everyone. The BBWR is an element that obscures the Polish political scene. I fear that, like the National Unity Front and the Patriotic Movement for National Birth, it may included people who just like to bask in the glow of power.

[Nowakowska] Listening to SLD politicians, one gets the impression that nothing has changed in Poland over the past few years.

[Kwasniewski] I have never said that. We are building democracy, and the process is a painful one, and the opposition can operate legally, it has not had to go underground and it is not sitting in prison. Poland is a sovereign state, which means it has the opportunity of shaping policy freely, but it also bears full responsibility for it. We have a relatively stable exchange rate in relation to the dollar, the shops are full, and lines form not for toilet paper but for shares in enterprises. These are great achievements that cannot be called into question.

However, the opposition does have the right to point out what is being done badly, how promises are not being fulfilled.

[Nowakowska] It seems to me that your colleagues have not noticed these achievements.

[Kwasniewski] In contrast to some of my colleagues, I have already been involved in government. That is why I avoid making harsh and demagogic statements as well as advocating simple solutions, because I know how things look from the other side. It is easy, for example, to say that social policy is rubbish, but one has to know what realizing a good social policy involves, a new insurance system or a program for combating unemployment. That is why I have more of an understanding for objective obstacles, and I know that all calls for a rapid reform are nonsense.

[Nowakowska] The SLD promises nice things, but it is surely promising miracles: You are guaranteeing jobs, apartments for everyone, decent wages....

[Kwasniewski] In the SLD program and the Socioeconomic Charter that we put before the Sejm, we do not promise anything of that kind. The charter might have allowed for some scope for development, but it was only a draft. We wanted to seek a compromise in Sejm work. However, the clause that "the state is responsible for creating jobs" is something that we adopted from the Social Charter adopted by the Council of Europe.

That does not mean that every child who is born is guaranteed a job. The citizen does, however, have the right to call on the state to pursue an active policy with regard to the labor market, and that can be realized by, for example, taxation and loan systems that give a preferential status to the creation of jobs, through the education system, and through short-term measures. In a certain sense, the program prepared by Minister Boni contains many of these solutions.

The situation is similar with respect to housing: It is not a question of the state guaranteeing everyone an apartment, because then we would inevitably find ourselves in the realm of fiction. The point is that the state cannot discard its responsibility for housing policy.

We agree that the role of the state in the economy and supervisory apparatus must be reduced. However, there are areas linked to the economy in which the state must be present over the next few years.

[Nowakowska] You talk about actively countering unemployment. In the Sejm, however, you voted for extending the period of time over which the unemployed receive benefits, although Minister Boni explained that there would then not be enough money for actively combating unemployment. You also supported branch-related supplements to pensions. So, you demanded more money, which would block institutional changes.

[Kwasniewski] On these issues, we were realizing the mandate that we were given by our voters, who do not agree to lowering a standard of living that is already miserable. It is difficult to demand of the opposition that it support issues that are unpopular and not understood by its electorate.

I regret to say that the government approaches many issues in the following manner: "Now we are going to make some cutbacks, for example, we will not pay out branch-related supplements, we will not review and increase public sector wages, but we are doing that for the good of the reforms in order to introduce institutional changes." However, when we asked about these comprehensive reforms, about concrete ideas concerning their introduction and over what period of time, it transpired that they did not exist yet.

[Nowakowska] How many seats in the Sejm are you counting on winning?

[Kwasniewski] We have two goals: to win as many as possible, even 461 (Kwasniewski laughs), but the minimum goal is to obtain 12 percent, because that is what we got in the 1991 elections.

[Nowakowska] Are you going to check whether your candidates for parliament did not, by any chance, collaborate with the former security services?

[Kwasniewski] We will not engage in vetting, because it makes no sense. We have adopted the principle that on our lists we will not put forward people who have either cooperated with the security services in the past or in the present. We want to avoid ersatz subjects and conflicts in the election campaign.

Onyszkiewicz's Moscow Visit Reported

AU0807102693 Warsaw PAP in English 1847 GMT 7 Jul 93

[Text] Moscow, July 7—Polish Defence Minister Janusz Onyszkiewicz, currently on an official visit to Russia, and his Russian counterpart Pavel Grachev signed today an agreement on cooperation between the two countries. Poland has already signed similar agreements with all her eastern neighbours.

The accord signed for five years provides for Polish-Russian military and technical cooperation, an exchange of specialists, the training of officers, and an exchange of information on air control and on extraordinary situations that may endanger the security of the other country.

The priority task of the agreement is to ensure security and peace in the region of the Baltic Sea, the Russian defence minister said after signing the treaty.

Poland, which initiated the concept of Baltic regional security, also proposed to hold a meeting of defence ministers of all Baltic states. Grachev supported the idea but said that he does not think there is a possibility for representatives of all those countries to meet at the moment due to Russia's current problems with Latvia and Estonia.

During his meeting with Onyszkiewicz, Grachev also said that the withdrawal of Russian troops from Poland will be completed this year according to schedule. He was also satisfied that the withdrawal is taking place without major problems and incidents.

When asked whether Poland is considering buying new military technologies from Russia, the Polish defence minister answered that at the moment all financial resources earmarked for that purpose are invested in the Polish armaments industry. At present, 80 percent of Polish weaponry has been made in Russia.

Onyszkiewicz, who started his visit on Tuesday evening, met later on Wednesday with Deputy Foreign Minister Anatoliy Adamishyn and Deputy Prime Minister Aleksandr Shokhin.

FBI To Train More Polish Policemen

AU0707112393 Warsaw PAP in English 1804 GMT 6 Jul 93

[Text] Warsaw, July 6—Head of Polish police Zenon Smolarek said in Warsaw today, after a return from his fortnight's visit to the United States, that further training courses for Polish policemen by agents of the Federal Bureau of Investigation (FBI) would be organized.

A total of 180 Polish policemen have been trained in the U.S. since 1990.

According to Smolarek, the language barrier is the main factor hindering the development of cooperation with American investigative bodies. The police head recalled the proposal, put forward recently, that retired American policemen of Polish descent organize English language courses for Polish policemen in Poland.

According to a press spokesman of the main police headquarters, Polish police would like to learn from its American counterpart how to counteract organized crime, fight financial crimes, crimes against intellectual property and those related to drug trafficking. Polish police would also like to get acquainted with forms of operation related to the institution of the star witness and police provocation.

Melescanu Views Visit to Slovakia, Relations

AU0707132993 Bratislava NARODNA OBRODA in Slovak 1 Jul 93 pp 1, 5

[Interview with Foreign Minister Teodor Melescanu by Peter Fridner; place and date not given: "Our Relations Have Never Been Burdened With Disputes"]

[Text] Bratislava—Shortly after the official visit of Romanian Foreign Minister Teodor Melescanu in Bratislava at the beginning of May, we addressed several questions to him regarding Romanian-Slovak relations and other principal issues of Romanian foreign policy. We have just received his answers.

[Fridner] Romania and Slovakia are not direct neighbors. However, they are very close historically and geographically. Their territories form a part of the Carpathian Basin. What is your opinion on the latest developments in this part of Europe, particularly with respect to relations of both countries with Hungary?

[Melescanu] I would like to expand on your statement regarding the closeness between our countries. From a political viewpoint, I consider the two countries to be veritable neighbors—two neighbors that belong to that part of Europe in which former communist countries unleashed vigorous economic reforms and in which macroeconomic stabilization is linked to far-reaching structural changes.

However, after some positive results at the beginning, many of these countries—be it Romania, Slovakia, or even Hungary—have to face difficulties. There is a danger that their traditional manufacturing system may suffocate. Unemployment is rising, since substitute factors [nahradne faktory] are not being implemented quickly enough. Apart from economic problems, our countries must also face political problems. Among the issues of general interest, we can mention the problem of ethnic minorities, which could become a source of instability and insecurity if sufficient attention is not paid to them and they are solved in an incorrect way. Rigidity and exaggerated demands are two attitudes that could undermine peaceful coexistence in multicultural societies.

Anyway, Romania is still showing interest in developing relations based on three things—dialogue, partnership, and cooperation with these countries, particularly with its own neighbors. This should lead to the main goal, which is integration into Euro-Atlantic structures.

[Fridner] You recently held talks with representatives of the Slovak Republic in Bratislava. How do you perceive our bilateral relations in light of this visit?

[Melescanu] Exceptional problems and a dynamic development of events require that our countries—which are in a very difficult and painful period of transition toward democracy, a law-abiding state, and market economy, as I have mentioned—should have more bilateral consultations. Being aware of this need, Romania and Slovakia increased the number of mutual contacts, as well as the level of political dialogue. Specific and constructive results of my recent visit to Bratislava, as well as Slovak Prime Minister Vladimir Meciar's visit to Bucharest these days, have shown our common will to create a largely stable and as firm as possible basis for Romanian-Slovak cooperation.

As you know, our traditional, bilateral relations have never been burdened with disputes. This fact is a strong basis for bilateral cooperation in all spheres of mutual interest. Prerequisites for development of relations between Romania and Slovakia, in my opinion, are the most promising ones. I firmly believe in our common future.

[Fridner] How do you view the danger that the military conflict in former Yugoslavia poses to Romania and other Balkan countries? In your opinion, should we be afraid that the conflict could spread to other countries? How should these countries face such danger?

[Melescanu] I believe that all the countries in that part of Europe are responsible for alleviating and isolating the existing crisis and improving security and stability on the continent. Romania has shown that it is aware of its responsibility in the region by joining the efforts of other countries to solve the tragic conflict in the former Yugoslavia. It has become obvious that this terrible conflict has a direct influence on peace on the entire continent, as well as Romania's security, since the conflict could spread into adjacent regions or terrorist actions could be taken. As you know, since the very beginning, Romania decided to consistently fulfill its obligations that ensued from the UN Security Council resolutions on respecting and monitoring the embargo on Serbia and Montenegro, since Romania and other countries along the Danube River play a key role in this region. We consider our efforts to be pressure aimed at avoiding a military intervention in the former Yugoslavia.

Likewise, we also supported the embargo on arms deliveries, since, in our opinion, its lifting could lead to larger arm supplies to all sides, which would result in even more violence and killing and possibly could endanger the prospects for a political solution to the crisis. We have shown everyone that Romania—as a neighbor of the former Yugoslavia who had no problems with any of the six countries that had been established from the former federation—is supporting a return to stability and peace in the Balkans.

[Fridner] Several European countries are reacting negatively to the large number of people trying to illegally become richer countries. One of the main sources of such migration is presently Romania. What is your government's view on this situation?

[Melescanu] First, I would like to say that after the revolution in 1989, the Romanian Constitution guaranteed the freedom of movement on the territory of the country and abroad. Every citizen has the right to settle

or find his home anywhere in the country, emigrate, and then return. Long years of prohibition [to travel] have induced a large wave of immigration to prosperous countries in 1990-91. Asylum applications submitted by Romanians were accepted in view of the confused picture concerning Romania's efforts to consolidate institutions of a law-abiding state. Later on, more and more Western countries arrived at the conclusion that Romania is a "safe country" from the viewpoint of the domestic political regime and political and civic rights.

The Romanian Government, aware of the difficulty of the situation, is actively participating in the European system of cooperation in the sphere of emigration as defined by the Vienna conference, and has the protection of all involved countries' interests in mind. Readmission treaties with Austria, Hungary, and Germany are the first results of our efforts. They reflect the legal responsibility the government has assumed insofar as Romanians are concerned, even considering that many of them have settled illegally on the territory of certain countries, and live in very miserable conditions there.

[Fridner] Can you tell us something about Romania's prospects for integration in European and regional structures? Is our impression correct that, after the initial hesitation, even the foremost Western governments are adopting a more positive attitude toward the integration of postcommunist Romania in the international cooperation system?

[Melescanu] Romania's association treaties with the EC, its joining the European Free Trade Association, its status as consulting partner in the West European Union, its active role in the North Atlantic Association and the Organization for Cooperation of Black Sea Countries, are all undisputable evidence that West European countries are treating Romania as a reliable partner, owing to our irreversible choice of democracy and reform. If we consider our geographical and strategic position, I can say that European countries are fully aware of the fact that any investment in the stability and security of Romania should be considered a reasonable investment in a safer Europe.

Intelligence Report to Parliament Detailed

AU0707055493 Bucharest ADEVARUL in Romanian 30 Jun 93 pp 4, 5

[Unattributed report: "The SRI Report Forwarded to Parliament by Mr. Virgil Magureanu in a Sealed Envelope"]

[Text]

I. The Romanian Intelligence Service—A Part of the National Defense System

The Romanian Intelligence Service [SRI], in concordance with its legal investiture, has accomplished its activity by permanently observing the right of the citizens, as stipulated by our country's Constitution, to fully exert their human rights, liberties, and fundamental duties.

Being exclusively in the service of our national interests, the activity of SRI cannot be evaluated—under current circumstances in Romania—without placing it in the context of the establishment and strengthening of all fundamental values pertaining to democracy and the state of law.

On the whole, the SRI has managed to ensure proper and operative information concerning the elements basically defining our national security. Its reconnaissance activity was permanently accompanied by an assiduous prevention work aimed at averting certain actions possibly able to jeopardize national security, including by organizing actions meant to deter attempts conflicting with our national interests.

In order to be as objective as possible in the assessment of the efficiency of the SRI's work, one has to bear in mind the unique circumstances under which it has been set up and under which it has been functioning.

One has to bear in mind the pressure continuously exerted upon the SRI by forces that are interested in the blocking of the national security apparatus by creating a climate of suspicion around the SRI, repeatedly trying to launch the idea that the SRI is actually a new political police institution. As a proof of the SRI's illegitimate identification with a political police, they permanently "accused" the SRI of violating the privacy of correspondence, wiretapping telephone conversations, and placing electronic listening devices inside the headquarters of political parties or the homes of certain public personalities. In fact the SRI holds significant evidence concerning the genuine perpetrators of such crimes; they do not belong to our institution. The aforementioned evidence is available to the competent bodies empowered by law and for public opinion.

Finally, one has to bear in mind that in the period immediately following December 1989, the activity of ensuring national security has been deprived of its main institutional basis, a circumstance which represented the best opportunity for the penetration of Romanian state structures by foreign secret services interested in our region and which wanted to turn our country into an area metaphorically called—although originally the name was intended to trivialize things, later on it proved to be fully justified—"the paradise of spies." Under such circumstances, the ensuring of our national security—which, owing to the current tormented geopolitical context, in which massive processes of dissolution of states are taking place in our immediate vicinity, may be regarded as an imperative matter for the very existence of our country—has become an increasingly difficult task.

Despite the unique circumstances under which it was set up and has functioned, the SRI has made continuous efforts to maintain its activity within the limits of

normality, the way similar institutions functioning in countries with old democratic traditions do, namely legality, political nonengagement, and openness.

The permanent coordination work exerted by the Supreme National Council of Defense upon SRI activity, as well as the strict control system set up both inside and outside the SRI, guarantees the fact that its activity remains within legal boundaries.

Operative actions of collecting information by means or methods that require temporary restrictions with respect to the exertion of fundamental rights of persons have been carried out strictly in compliance with stipulations of the Constitution and those of the bill specially empowering the SRI. (Competent prosecution bodies have authorized such action in 451 cases.)

The full legality under which the SRI carries out its duties represented a basis upon which the independence of the institution concerning any partisan political influences has been achieved, as that is an essential prerequisite of properly fulfilling its major duties in ensuring national security.

The SRI's equidistant position with respect to the various political parties is proved by the fact that information has been solely conveyed to customers that are specially entitled to it by law, the sole purpose being always the ensurance of national security.

Thus, regardless of Parliament's future composition or which political party will set up the cabinet, the representatives of the aforementioned bodies, who, owing to their positions within the state are entitled to receive information concerning national security issues and adopt decisions in such matters, will automatically become the legitimate consumers of the competent intelligence system.

As an answer to the justified interest of public opinion with respect to the uncovering of the crimes, illegal actions, and abuses perpetrated against Romania's population, the SRI has engaged in laborious investigations using the whole archive left behind by the former Securitate bodies, aiming to identify atrocities and reprisals, written evidence, and witnesses.

A first installment of such documents, which is already available, refers to the punitive administrative and penal measures taken until 1948, when the Securitate was set up, respectively following that year.

Similarly, on the basis of certain information, the SRI has managed to find the whole file completed in 1968 concerning the crimes, illegal actions, and the abuses perpetrated by [former interior minister] Alexandru Draghici and other persons.

Two further installments of those documents contain decisions and minutes referring to the banishment to prison camps and forced labor battalions of persons, their confinement to their homes, the forced removal of a certain category of persons, their sending to forced labor, or their handing over to the special services of the Soviet Union or other countries.

Documents have also been revealed concerning the activity of the Securitate troops against groups of resistance, as well as the orders issued in 1961 deciding the imprisonment of certain persons. More than 160 former Securitate officers involved in the investigated illegal actions and abuses over 1948-1964 have also been identified.

Previous to voices calling for a "trial of communism," the SRI began to examine documents of the former Securitate bodies aiming to identify the persons submitted to persecution so that they could benefit from rightful moral and legal damages. In that respect the SRI has solved over 75,000 applications.

Concerning the disputed issue of citizens' requests to gain access to their Securitate files, the SRI's position is that on the basis of a bill similar to the one passed in Germany, each citizen should be permitted access to examine his or her own file, naturally, only if there is one, and only after having taken measures to protect the rights of other persons as well as the interests of national security as stipulated by law.

The SRI's relations with the press is a field in which the interests of national security have not been observed sufficiently or in a satisfactory way. That does not refer to the attacks of the press against the SRI, as that institution is not the only one facing such a situation. Civil societies suspect their secret services—which have their own strict rules concerning openness, as otherwise their existence would be senseless—in general terms. On the basis of such general suspicion the majority of the world's secret services are harassed by the press as often as possible. Nevertheless, whenever national security is at stake, prudence, decency, and refraining from damaging publicity should be necessarily and naturally displayed.

Referring to the structure of the SRI personnel, the report mentions a number of cases in which owing to their "lack of professional quality" certain SRI employees were proved to be guilty of having "damaged the public image of the SRI." Thus, the report quotes the cases of the heads of one central and one county unit, together with some of their teams, who, ignoring valid regulations, proceeded to destroy nonoperational documents left behind by the former Securitate, which allowed for staged attacks [by the press] such as the one related to the so-called "Berevoiesti case" [mass grave of persons allegedly executed by the Securitate], a pretext by means of which the incrimination and discrediting of the SRI has been attempted. All the persons involved in that activity have been censured and ousted from the SRI system. Similarly, interpreting openness toward the press in a personal way, in contradiction with internal regulations, a high-ranking officer of one of the SRI county sections has supplied operational information to a journalist who used it as a factual basis in two of his

news items harming the special activity and the prestige of certain institutions. Because of that reason the mentioned officer has been ousted from the SRI. Employees of the same SRI unit have leaked information to a major daily, which used it to sustain the idea that the SRI is involved in Romanian political life. This case is currently being investigated by prosecution bodies.

II. Identifying, Preventing, and Averting Threats Against National Security

The Defense of Law and Order

A. Actions aimed at eliminating democratic institutions by force and other events that endanger order and law:

The examination of data and information received by the SRI, in accordance with its legal duties, reveals several destabilizing actions among the significant events and actions as regards national security in 1990. Those actions took concrete shape in repeated violent attacks against major state institutions and forced those in power to adopt certain decisions under the pressure of the street. Likewise, the examination of information also reveals the fact that a real organized and aggressive disinformation campaign was carried out, supported by the mass media by frequently launching certain "information" of an inciting nature, that literally contributed to increasing street actions in the respective period.

In 1991, especially in the period prior to the September events, the SRI took note of the concrete situation in the Jiu Valley, developments in the population's state of spirit, the way dissatisfaction was expressed, and the possibility that more widespread events might break out.

The actions of penetrating by force the headquarters of the government, parliament, and presidency, in which groups of people from Bucharest and provinces participated together, resulted in actions that jeopardized national security as stipulated in Article 3, Section F of Law No. 51/1991.

Therefore, the SRI collected documentation concerning the activity of 75 people who incited to violence, seriously disturbing peace and public order, assaulted law enforcement and intervention bodies, as well as 48 other people who were involved in events, using their privately owned vehicles. The majority of those people are known to have participated in other turbulent actions throughout Bucharest in June, August, and December 1990.

The information regarding the respective persons has been turned in to the Parliamentary Commission that was set up for the investigation of the September 1991 events, to the Prosecutor General's Office, and to the General Police Inspectorate.

According to another plan, the SRI discovered that the actions of international, so-called religious organizations, have other goals than religious ones. Several envoys of such organizations were identified, and it was revealed about them that on various occasions, including certain public rallies, they instigated actions meant to jeopardize order and the law.

In strict accordance with the legal provisions in force, the SRI does not investigate anybody because of the person's ideology or religious beliefs. However, the Universal Declaration of Human Rights, the European Convention of Human Rights, as well as the international treaty regarding civil and political rights stipulate that the freedom of religious actions or manifestation of convictions of a religious nature should not extend the limits stipulated by the law, which is necessary in a democratic society in order to ensure public security, protect order, health, and people's moral conduct, and the rights and freedoms of each citizen.

As regards actions of a religious nature, connected with the issue of national security, we discovered that certain nationalist actions were orchestrated from abroad, by certain cults and sects, aimed at causing tension in areas that are sensitive from an ethnic and religious point of view (Banat, Transylvania, and the northeastern part of Moldavia).

The democratic openness, misunderstood according to the interests of certain micro-groups, and the vacuum in the area of legislation, facilitated the exploitation of certain concurrent forms of proselytism, which became the source for tension and even intercongregational conflicts.

Elements dominated by extremist concepts infiltrated into certain religious communities, with the purpose of creating dissension within the respective cult and of damaging the influence and traditionally Christian-Orthodox character of the Romanian religious creed. Various types of religious currents are coordinated and supported from abroad, mainly by being given financial and material assistance. Currently, one might notice numerous actions in Romania financed from abroad, actions aimed at attracting the population to religious beliefs that are alien to the national spirit, ultimately aimed at destroying certain important segments of the society. On this background, certain religious sects provoked the establishment of dissident and intolerant groups, whose fanaticism or extremism reached already a level that is considered a violation of the provisions of the law.

In accordance with the provisions stipulated in Article 11 of Law No. 51/1991, the data and information regarding this category were submitted to the competent decisionmaking bodies.

A separate group of actions which, in the long run, affect our national identity are the repeated acts to destroy, degrade, or rob assets that belong to the national cultural heritage, actions about which the SRI informed the adequate legal bodies.

B. Extremist actions

When identifying and evaluating actions of an extremist nature the SRI does not proceed from qualifications that certain political formations use when referring to each other. Nevertheless, the SRI cannot ignore the fact that Romania has a certain "experience" regarding organizations, ideologies, and actions of an extremist nature.

A noteworthy example in this respect are attempts to revitalize the Iron Guardist movement, by initiating certain actions that involve Iron Guard centers and groups from abroad. As early as 1990, the roots of organizational structures have been established which carry out clandestine action in order to influence and change the view of the Romanian public about the doctrine and role of the Iron Guardist movement; coordinate actions of reorganization at a national level; finalize the draft program for legalizing such formations; attract young people, and penetrate certain political and apolitical formations that have been established legally.

Entering the country and disseminating certain material of an Iron Guardist nature; publishing works through which the rehabilitation of this movement's leaders is attempted; sending agents who, through the contacts they managed to establish, have covered almost all the counties of the country; and hassling certain social strata to subscribe to the Iron Guardist ideas and practices, complete the picture of the current activity of right-wing extremism.

It is noteworthy that for propaganda purposes, about 30 types of books, including the Iron Guard doctrine, were brought to Romania through various channels after the December 1989 events.

We have received precise data in connection with six Iron Guard members who came from abroad as agents to Romania, with instructions to reorganize the Iron Guardist activity, finance the respective activity, and arrange measures to legalize those activities.

We have received information about 24 persons who subscribed to and joined these actions, people who used to have important ranks and positions in the Iron Guard movement and who carry out clandestine work or act under cover, in legal formations or associations.

Likewise, within the context of providing free and correct information about political and ideological doctrines, some publications in our country contribute—by being or not being aware of it—to the rehabilitation of Iron Guardist ideas and concepts.

The results of the analysis carried out by the SRI show that those attempts indicate the presence of a susceptible extremist potential that has worked under favorable circumstances.

As regards the ideological and human potential of the left-oriented extremist threats, so far there have been a few isolated attempts to establish the nucleus for organizations of such a nature, but the intentions of the initiators did not have the expected response.

The preservation of a certain degree of ideological fanaticism represents a potential threat to the national security, while the social and economic discontent and the consequences of a constantly growing crisis, that are specific to a transition period, foster nostalgia and lead to attempts to resort to the term "social security" as used in the recent past. In order to complete the image about this political orientation, we should mention also the interest noticed abroad toward a possible consolidation of a left-orientation extremism in Romania.

Counter-Espionage Activity

While fulfilling its appropriate duty, the SRI has discovered several espionage actions aimed at collecting information from all political, economic, military, social, ethnic, and demographic areas throughout the country as well as ways in which they were implemented.

The massive interest of foreign intelligence services was mainly directed toward the economic area, where concrete technical-scientific espionage actions were carried out, brain drain, or illegal acquisition of the results of research in respective areas.

For example, an intelligence network under a diplomatic cover established connections with a Romanian researcher, trying to force him to supply technological data about a laser that can be used in the military area. Since we had previous knowledge about that action, we could prevent it in time.

In the same context we can include the attempts to disseminate the idea that Romania has no economic or scientific secrets that have to be protected.

Although significant amounts of secret documents are concentrated in most commercial companies and private corporations with state capital, the system of protecting them has often been inadequate. Serious shortfalls can be noticed throughout the system as far as protection measures are concerned. One can notice such situations in almost all sensitive sectors, including the field of research and production of military technology, geological exploration, and the nuclear field. Hence, in March 1993, we discovered and prevented the attempts of an espionage network that tried to convince a Romanian university professor to give them secret data about an important objective in the nuclear field in exchange for an important sum in hard currency.

Another way of unauthorized dissemination of information was that of making it easily available to foreign companies and government institutions by the very people whose duty it is to protect information. In this way strong foreign interest focused mainly on such economic branches as chemistry-petrochemistry, nonferrous and mining metallurgy, trade and financial-banking areas, as well as on reserves of natural resources. Certain Romanian citizens living abroad returned as representatives of companies to Romania to the units where they used to work and, by utilizing former contacts, obtained

technical documents and information about classified projects, which were proprietary or state secrets.

Another way to obtain secret information was the fact that foreigners were permitted to visit, film, or photograph even other places than those linked to cooperation ventures, sometimes including sectors manufacturing special products or where special installations were operating, as well as places of strategic importance.

Along with the intensified acquisition of information, especially strategic-military information, secret services increased their concern with organizing destabilizing actions pursuing revisionist aims. Networks acting in this sphere according to all rules of clandestine operations have been identified and are now controlled, some of them apparently being inoffensive and having a legal basis. For instance, there is an information framework that pursues such aims and has created a network in several cities in the west of the country; so far 12 of its members have been identified.

There have been actions of disinformation and instigation with the aim of causing disproportionate reaction on the part of the state power representatives.

An example in this respect is the version disseminated through various channels by cadres and agents of an espionage service according to which large amounts of weapons and munitions were allegedly introduced and deposited illegally in our country in religious establishments and cemeteries. What was actually pursued was the fact that, in order to verify this information, the relevant authorities would have to resort to certain measures that could later be interpreted as interference in the activity of cults or as restrictions or violations of human rights.

There were actions to fabricate so-called proof for the lack of rights and freedoms for ethnic minorities and other information that was exploited in the slander campaign against Romania and in the distortion of its image abroad.

Launching rumors and partially credible versions of facts, events, or actions has lately turned into one of the main actions by the disinformation departments of some espionage services in order to confuse and create tension at the political, social, or ethnic level, and in relations between states.

We also have to mention the information and data deliberately sent by cadres and agents of certain espionage networks to the address of the SRI. Had they been taken over and presented as such to the state authorities this might have led to inadequate decisions or stances.

Great interest was noted in acquiring information that was needed for military operations (reconnaissance, topical map information, verification of communication networks, mountain passages, river fords, main railroad junctions and transportation capacity, complex investigation of the population at the former border with Austria-Hungary, a study on military targets, investigation of the mobilization capacity, and so forth).

Numerous foreigners who came to Romania as tourists, tradesmen, or businessmen photographed and filmed strategically important areas, passes that link Transylvania with the rest of the country, infrastructural works (bridges, tunnels, and viaducts), railroad depots in Dej, Satu Mare, Cluj-Napoca, Jibou, Simeria, and Resita, as well as the Sibiu-Agnita and Tilisca-Apoldu de Sus traffic sections. At the same time, they have tried to acquire information about our transportation capacities, the traffic level, the active and stationary rolling-stock, and road and communication means.

The SRI itself, as well as other bodies in the national security area, have been and continue to be under the observance of special foreign services, which do not want capable forces to discover and neutralize their actions. A single such information service enjoying diplomatic immunity initiated five recruiting actions in order to penetrate the SRI, the Ministry of National Defense, and the Ministry of the Interior.

As far as we are concerned, there have been attempts to recruit cadres from the SRI in order to provide information from within this institution.

In such a case, the officer in question was working in the department of counterespionage of a county section of information. What they counted on was the temptation to earn a big sum of money and on exploiting the sentiments linked to the nationality problem of the officer involved, who was, however, correct. He rejected the proposal and only helped gather documentary evidence.

Such actions are correlated and followed up with multiple direct interventions and pressure in order to diminish the counterespionage activity of the SRI in certain areas.

The Defense of Economic Interests

In accordance with Article 11 of Law No. 51/1991, the aim of the information activity regarding the situation of national security in the economic area pursued the achievement of several objectives.

A. Revealing, from information obtained, those facts, phenomena, and situations which are linked to the economic factor of national security, and presenting them to the relevant authorities so that opportune and useful decisions can be made aimed at eliminating the said threats and that the state of lawfulness, of balance, and economic stability may be ensured.

Thus the information activity of the decisionmaking persons in the state included more than 3,500 information reports, notes, and summaries forwarded to the presidents of the parliamentary chambers and commissions, to the prime minister, the ministers, and department chiefs, as well as to other leaders of central and local public administration. Although some of the

respective facts have been publicized meantime, we want to mention that the information material drawn up by the SRI was forwarded to the relevant authorities long before it was presented by the mass media from sources which do not belong to our institution.

The information structure comprised a broad range of issues, of which we want to mention the following:

The appearance and manifestation of facts, phenomena, and situations harming pubic wealth and national security in the process of privatizing trade companies operating with state capital. In this context, the most damaging consequences for public property were the ones linked to the tendency to underrate the ownership of companies operating with state capital in order to provide certain private companies with installations, equipment, apparatus, manufacturing techniques, and various other materials at ridiculously low prices which were set artificially and mostly without organizing an auction. At the same time, there were numerous situations when decisionmaking people—by abusing the prerogatives conferred on them by their positions within trade companies, set up, directly or through middlemen, similar companies to those operating with state capital in order to secure raw and other materials in short supply for their own companies to the detriment of those operating with state capital.

At the same time, worth mentioning are the notifications in connection with the need to complete the legal framework in the area of small-scale privatization, so as to eliminate the possibility of promoting the serious acts of corruption, abuse of power, influence peddling, and unloyal competition that enable people to get rich in an unfair way and to the detriment of public wealth.

The proliferation and perpetuation of unloyal competition by "parasite-companies" resulting from an "underground" privatization process, cause great harm to the public sector and generate a type of nonperforming private property through evasion of legal norms and the mechanisms of the market economy, thus distorting and slowing down the pace of economic reform and increasing the negative economic and social effects of the transition process.

Within the action of concluding joint ventures with foreign partners by underrating the assets of the Romanian side while, at the same time, overestimating those of the foreign side, trade interests of economic units operating solely or mainly with state capital are harmed. At the same time, situations were noted when unfavorable clauses were accepted, such as the setting up of social capital by foreign partners through deliveries of outdated technologies, worn installations, and equipment at higher than market prices, something that increased the damage, along with the nonfulfillment of obligations under the contracts. Both situations led to an artificial increase in the participation quota of certain foreign partners and implicitly to their assuming control over the given economic unit, something that was facilitated also by the corruptibility or lack of knowledge of domestic decisionmaking officials.

There were notifications about certain facts, phenomena, and situations undermining Romania's economic interests in foreign trade relations caused through the violation of the law and regulations in that area and favored by the lack of a complete legal framework. Usually, these notifications referred to the lack of measures designed to protect the general interests of the Romanian economy and ensure the foreign trade activity of all relevant units on the basis of real competition, as well as to the lack of appropriate control on behalf of the state as the sole guarantor of foreign credits designed to procure strictly necessary raw materials, primary energy resources, and basic foodstuffs.

We have imported equipment and installations, part of which could have been manufactured by Romanian industry and some showing physical and moral wear and tear, at higher prices than those on the world market and thus the national economy rgcorded serious hard currency losses.

Important damage was caused to the national wealth because of the transfer abroad of goods and assets by certain private companies, which, for the sake of winning great profits, exported raw materials, energy generating products, foodstuffs, and other commodities in short supply in the Romanian economy, which were mainly secured from the public sector.

Given these conditions—which were known but not eliminated in time—great damage was caused to the national economy within the import activity of Agroexport, Prodexport, the Public Corporation of Pit Coal in Petrosani, and the Public Corporation of Brown Coal in Targu-Jiu (equipment, installations, dump trucks and mining materials) and within the export activity of timber, garments, porcelains, metallurgical products, ferrous and nonferrous products, as well as through renting freighters.

The export of live animals, disclosed as early as the spring of 1990 and practiced by certain private companies with a minimum contribution to the public budget, is a telling example of the serious consequences for the national economy. Given the scope of these deals (more than 2 million animals), the most valuable livestock was lost.

Another objective pursued was to decipher, point out, and caution against the intention of certain foreign partners to gain key positions in various economic sectors and even in some parts of the country through insisting on the resumption of economic relations only with the trade companies in the given areas.

At the same time, attention was drawn to the economic offensive launched by interested foreign forces, something which—among other things—led to the interruption of the activity of some small-scale producers and, as

a result, to the interruption or even blockage of the operation of certain basic sectors of the national economy.

Such obvious cases were the trade companies Sometra and Carbosin in Copsa Mica, as well as Romplumb in Baia Mare in which, by raising the real problem of pollution, the intention was to stop the production process when, in fact, through the installation of the necessary filters against pollution we could catch up with the international environment protection standards.

At the same time, information was obtained and utilized regarding the actions undertaken by some foreign companies to control representative branches or some of their segments in petrochemistry, in the aircraft industry, and in the light and food industry.

Situations and states of affairs relevant for having an impact on national security through the intensification of economic imbalances in branches and at the regional level were notified in connection with the destruction, degradation, or the nonutilization of certain infrastructures which are necessary for the proper progress of socioeconomic activities.

Providing decisionmakers with such information prevented immediate damage to the national economy and especially to the prevention of long-term effects on the situation of national security from an economic point of view.

Significant in this respect is information provided in good time in connection with the scope and intensity of the destruction of property of former cooperative associations in agriculture and animal breeding during the objective process of dismantling them, and in connection with the violations that occurred in the application of the Land Law and the situations that led to the degradation and nonoperation of the irrigation systems and of land improvement, as well as in connection with the pronounced decrease in the rail and naval transportation capacities.

B. The selection—for the purpose of taking measures for informational evidence in accordance with legal provisions—of cases suggesting that violations of the national security were prepared or committed in the economic area in order to inform the state authorities entitled to establish and sanction violations of the law.

This activity, which is carried out in a considerable number of cases, included informing the prosecutor's office of 29 cases of actions which, by the way they were carried out or through the consequences generated, may constitute acts of undermining the economy, of passing on or leaking secret information, as well as acts of destruction, degradation, or causing the nonutilization of vital economic structures.

At the same time, following specific investigation activities, the police bodies and the financial oversight body were briefed on some 2,000 cases suggesting economic violations other than national security ones with a view to establishing the culprits, recovering damages, and reestablishing law and order.

In fact, as far as the question of defending state secrets is concerned, the major handicap is the lack of special laws in this area, something that requires the urgent adoption of a law on the defense of state secrets, because the existing law, although not abrogated, is actually inoperable.

Antiterrorist Activity

A world that is marked by increasingly brutal political, nationalist, or religious events, by intensified violence in general, and terrorist violence in particular, generates a strong feeling of insecurity and constitutes a constant threat to national security. The sources of potential terrorist acts are constantly present on the territory of our country.

A major threat against national security along the line of terrorism is posed by the presence in Romania of certain members of a few international terrorist organizations, which are particularly active and powerful, especially in the still hot zone of the Near and Middle East.

It is not possible to provide names and details about tangible terrorist threats because such disclosures—like in the case of counterespionage—would only create additional difficulties for the antiterrorist defense activity. Anyhow, it is right to know, that, from a list that is actually known and includes the names of some 70 terrorist organizations from more than 20 countries, which have claimed terrorist acts, almost all have representatives in Romania for a longer or shorter period of time. This is explained by the fact that the large number of foreign visitors or residents represent both the orientation and trends of the country from which they come.

An alarming source of potential terrorism is the fact that the events in the states of former Yugoslavia could transfer, to a certain extent, the effects of intolerance and fanaticism to interethnic relations of the respective communities in Romania, something that is of topical relevance for our domestic antiterrorist defense.

As far as the threat of domestic terrorism is concerned, one has to bear in mind the presence in our country for long periods of time of foreigners with former records of belonging to subversive terrorist organizations. At the same time, local people from the underworld, which are recruited by extremist-terrorist organizations, work to proliferate such practices and the risk exists for them also to get involved in political struggle.

Other terrorist threats are posed by the arms and drug traffickers who transit Romania, the groups of foreigners who have no legal status and cannot be controlled, the existence of organized crime groups, and the exacerbation of nationalism and ideological, political, or religious fanaticism.

Marked by terrorist tendencies, organized crime provides the antiterrorist activity with new information relative to our own experience, because in the past such phenomena did not exist in our country.

This being the situation, the SRI is facing particularly complex organizational and information problems, which have to be solved as we go along.

Intelligence control has pointed out various forms of organized crime in our country, the most important being the following:

The existence of "racket" and "triad" type formations from the former USSR and China respectively, which, through looting and assassinations, have acted against their conationals on the territory of our country or even against Romanian citizens;

The increasing activity of some networks from the Middle East in the area of drug trafficking and in that of weapons trafficking (especially toward former Yugoslavia) for the purpose of collecting the necessary funds to finance subversive organizations in that area;

The takeover by native gangs (made up especially of people with a criminal record) of Mafia-type methods (the assumption of control over prosperous enterprises divided into areas of "competence" in order to obtain material advantages through pressure and violence).

The increased manifestation of organized crime was favored by the lack, imperfection, or nonapplication of legal regulations on the status of foreigners; the regulations on crossing the state border; and those regarding weapons, munitions, explosives, and radioactive materials that may contribute to the initiation, organization, and commitment of acts of terrorism.

The nonexistence in the current legislation of firm and discouraging coercive measures against any person violating national security and the atmosphere of stability in the country.

In its current stage, organized crime constitutes an object of attention for other institutions in the state. Bearing in mind, however, that the organized gangs are also inclined to accept mercenary-type actions, their interest can easily slide from the economic area to the political one, especially when considering the preoccupation of certain intelligence services or hostile foreign groups with our country's sociopolitical destabilization. In this case, the implications regarding harming national security require specialized activities by the SRI in the area of combating organized crime.

Within the antiterrorist activities, the protection of foreign missions and people has been a particular task and obligation of the SRI.

Another specific task in this area is the antiterrorist and anti-hijacking control activity to ensure the security of airports, planes, and passengers, an activity that was carried out strictly in conformity with domestic norms, international settlements, and the recommendations of the International Civil Aviation Organization. As a matter of fact, there are constant attempts to test the opportunities for introducing into our country weapons, munitions, or other terrorist materials. More than 2,700 such cases have been recorded.

One of the essential elements of antiterrorist protection activity is intelligence. Terrorist actions are primarily countered by being acquainted with and blocking the opportunities of action by potential attackers through intelligence and counterintelligence means.

The cases solved by the SRI over this period are as follows:

Thwarting the intention of a group of foreign citizens to commit acts of violence in Romania. On the basis of information obtained and made available to the bodies of the Ministry of the Interior, a member of this group was detained in Targu-Mures and several passports with different names, as well as weapons and munitions, were confiscated;

The identification of a training camp in Transylvania where a relatively great number of young Romanian citizens underwent a form of covert paramilitary training in isolated places;

The identification of more than 20 citizens from the CIS who were organized in a Mafia-type structure and whose intention was to commit acts of violence, similar to terrorist acts, in our country directed especially against Russian, Moldovan, and Ukrainian tourist groups;

The discovery of illegal trade deals on the territory of Romania the main objective of which were drug trafficking, running contraband goods, and selling automobiles stolen from West European countries by foreign citizens who were either members of or had links with terrorist organizations or groups in order to secure funds for their own activities;

The identification in December 1991 of two foreign citizens who were members of a Middle East terrorist organization whose intention was to prepare acts of violence on Romania's territory. Following a set of specific measures, the respective elements were discouraged and made to give up their intention and leave our country;

The identification of several foreign citizens, mainly coming from Arab countries, who were members of or maintained links to terrorist organizations or groups whose intention was to prepare and commit terrorist actions on Romania's territory or outside it. Their illegal actions were corroborated, they were declared persona non grata, and were prohibited from entering the country;

The identification of a group of foreigners and natives and set up under cover of a trade company with mixed

capital, which is carrying out activities tangent to anti-terrorist ones for a virulent extremist organization interested in creating logistic bases in Romania. The police with whom we cooperate to corroborate the case have been informed;

The corroboration of the activities of a foreigner who is a member of an international drug trafficking network whose task it was to procure funds through such activity in order to finance a terrorist organization. The relevant authorities were informed and measures were taken to arrest that person and submit this case to the Romanian justice bodies;

The acquisition of information according to which the representative of an Arab state in our country was an active member of a terrorist organization and carried out activities which were not compatible with his diplomatic status. Consequently, the authorities of the respective state were made to recall their citizen from that position.

All these cases were reported to the relevant authorities so that appropriate measures could be taken.

The prevention and combating of terrorism are activities which—because of their importance—need to concentrate the efforts of all specialized cadres. In this area, the primary requirement is the consolidation and development of an effective preventive system—offensive and defensive—at the national level supported by the bodies of the Ministry of Interior. The particular threat posed by terrorism requires the organization of special measures aimed at becoming acquainted with and preventing them, it requires a well—coordinated defense system, special training of the forces of protection and counteraction, a single base of data and intelligence, an efficient alert system, a centralized decision, and so forth. All this is possible only on the basis of a congruent concept, organization, leadership, and execution of actions and prevention measures.

III. Final Assessments

It is expected that the entire set of conditions that favored threats against our national security of late will continue the same way for at least the medium term. Implicitly, the possibility of concrete risks for and threats against our national security will continue. To have a clearer image of these risks and threats, it is necessary to mention what is probable as a result of:

The setting up of groups of interests which tend to create and to consolidate, by illegal means, privileged economic positions prior to the creation of all mechanisms of the market economy, something that will have a long-term effect on the normal operation of law and order;

The formation of a structured network of organized crime and Romania's possible integration in the activity of the international network of Mafia or terrorist type of organizations, and so forth;

The expansion of the phenomenon of economic violations and the points where such phenomena are concentrated;

The development of irredentist-chauvinist signs and actions of an autonomous nature;

The negative perception of the future of the two Romanian states, which becomes a reason for some states in the area to tighten relations with Romania;

Additional constraints due to Romania's location next to an open armed conflict, which are amplified by a system of interests and ad-hoc coalitions set up in connection with the respective conflict;

The great flux of refugees generated by possible critical situations in the geopolitical area in which our country is located;

Romania's integration in the big route of international emigration from the poor areas of our planet because of the nonexistence of a system of customs and visa regulations to protect it.

The great number and diversity of foreseeable threats against Romania's national security can easily be noted. The assessment of the scope and intensity of such threats, by pursuing their genuine evolution trajectory in order to establish the possible rate of deterioration of our national security, is one of the major concerns of the SRI meaning the prompt information of state decisionmakers in cooperation with the other institutions within the country's defense system. Consequently, the efficiency of the SRI depends on the actions initiated by the state bodies, which have duties to fulfill in this area, and on cooperation with the other elements of the defense system.

At this point, Romania is going through a difficult time of reestablishing all its structures within a new configuration along and connected with large-scale restructuring at the continental and planetary level. Our country's interest today is to finalize this process. It is also a process of integration in the continental and world configuration that is on the point of taking shape. The contribution by the Romanian Intelligence Service to the drafting and application of a national security strategy as the foundation of promoting national interests in our own area of competence and through ways and means stipulated by the law, delimits exactly its area of movement and facilitates the correct understanding of its place and role within the aggregate of institutions of the Romanian state.

Commission Head on Publication of Report

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[Simona Popescu and Crina Nedelcu article: "The President of the Control Commission of the Romanian Intelligence Service, Vasile Vacaru, Warns: Virgil Magureanu Has Three Days To Discover Who Gave the SRI Report to the Press"]

[Text]

The Publication of the Report in the Press Was an Unpleasant Surprise

"Virgil Magureanu has three days to discover the person who supplied the report on the activity of the Romanian Intelligence Service [SRI] to the press." This warning came from Senator Vasile Vacaru, the president of the new parliamentary commission in charge of supervising SRI activity.

In accordance with the affirmations of the Democratic National Salvation Front representative, the fact that the report got into the hands of the press before it was disseminated to all senators, was an "unpleasant surprise." Vasile Vacaru affirmed that he is convinced that the report did not slip through the fingers of the commission members, who are innocent as far as this case is concerned. As is known, they took an oath to strictly preserve the secret.

Foreign Media Bulletin: Balkan Crisis 8 July

WA0807153693

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian Presidency proposes federation of provinces or international protectorate ... Group of Seven issues declaration on Bosnia ... Talks between Croatian Government, Krajina Serbs stall ... Croatian President Tudjman denies accepting territorial exchange with Bosnian Serbs but holds open possibility of future agreement ... Opposition parties boycott Federal and Serbian Assembly over detention of party leader Draskovic ... Sarajevo City Council ends hunger strike.

POLITICAL

PRESIDENCY PROPOSES PEACE PLAN (AFP): Bosnian Presidency proposes establishment of a federation of "between four to 18 provinces" that would have no power "to sign international agreements" or to "question Bosnia's territorial integrity." Presidency member Lazovic, one of the three drafters of the plan, says that if the proposal is rejected, then the Presidency will demand that the country be put under an "international protectorate." (AU0707184893)

G-7 ISSUES DECLARATION ON BOSNIA (Tokyo KYODO, Belgrade Radio): During summit in Tokyo, Group of Seven countries declare they will not agree to a solution to the Bosnian conflict that is "dictated by the Serbs and Croats at the expense of the Bosnian Muslims," and pledge to protect UN "safe havens" by "sending troops" and providing "air protection" of the UNPROFOR. Reporting on the declaration, Belgrade Radio announces that the G-7 countries "rejected absolutely any military action against the Bosnian Serbs." (OW0807051793, AU0807073193)

CROAT, KRAJINA SERB TALKS STALLED (TANJUG): Talks between Croatian Government and Krajina Serbs "end without agreement" as Croats reject Serbian demand that they take over administration of the Maslenica Bridge area, which was captured by Croatian forces in January. (LD0707202993)

TUDJMAN DENIES AGREEING TO TERRITORIAL EXCHANGE (Zagreb TV): Croatian President Tudjman says that, contrary to Bosnian Serb reports and an accusation by a Croatian opposition party, he "did not discuss any kind of territory exchanges" during recent talks with Bosnian Serbs. Tudjman adds, however, that the "possibility" that the "safety of the Dubrovnik hinterland be achieved" through a "negotiated solution to the status of" the Prevlaka peninsula "was mentioned" and that Croatia is "ready to discuss" territorial concessions if "the concessions that Croatia will obtain will be more favorable than the concessions it will make." (LD0707223093)

OPPOSITION DEPUTIES BOYCOTT ASSEMBLIES (TANJUG, AFP): Opposition deputies decide to suspend participation in Federal and Serbian Assemblies until Serbian Renewal Party leader Draskovic is released from prison. Draskovic announces he will not end his hunger strike as long as his wife also remains detained. (LD0707162193, AU0807081093)

SARAJEVO COUNCIL ENDS HUNGER STRIKE (Sarajevo Radio): Sarajevo City Council end their five-day hunger strike but say situation in city "continues to be dramatic" because of international community's lack of response to "aggression against Bosnia." (AU0707194493)

NATO Planning To Send Air Support to UN Peacekeepers

AU0707161593 Paris AFP in English 1601 GMT 7 Jul 93

[Text] Brussels, July 7 (AFP)—NATO warplanes could go to the aid of U.N. troops in Bosnia-Herzegovina within the next few days, a North Atlantic Treaty Organisation spokesman announced Wednesday [7 July].

The spokesman said NATO officials had adopted plans for the operation by British, French and Dutch aircraft on Wednesday and would transmit them to the United Nations.

The move comes as application of Security Council Resolution 836 on the setting up of six "safe havens" in Bosnia-Herzegovina whose population is to be protected by U.N. troops.

The North Atlantic Treaty Organisation decided on June 10 at a meeting in Athens to provide air protection for the blue berets stationed in Bosnia. A total 7,500 more U.N. soldiers are to be deployed for the mission.

NATO asked several countries to take part in the air support operation, which is distinct from Operation Deny Flight barring flights over Bosnia. To date Britain, France and the Netherlands have agreed to participate.

Diplomatic sources said the United States was also likely to join in the operation, for which some 70 aircraft would be needed, with Norway and Denmark being further candidates.

Asked whether the deployment of NATO planes in Italy was likely to start within days, the spokesman replied "yes" without elaborating.

UN Spokesman Says Time 'Running Out' for Negotiations

AU0707153093 Paris AFP in English 1448 GMT 7 Jul 93

[Text] Zagreb, July 7 (AFP)—Time is running out for negotiating a peaceful settlement in Bosnia, a spokesman representing the mediators of the international peace conference on the former Yugoslavia said here Wednesday [7 July].

"We are running out of time," said John Mills, who arrived in Zagreb Tuesday with U.N. mediator Thorvald Stoltenberg. "It is extremely urgent that the Bosnian presidency begins to negotiate and that the fighting stops."

Mills' statement came as several members of Bosnia's collective presidency were to meet in Sarajevo to discuss their own proposals on the future shape of the war-torn republic.

Mills said he hoped the 10-member presidency, made up of Serbs, Croats and Moslems, would respond soon to a Serb-Croat plan to carve the republic into three ethnic mini-states loosely linked in a confederation.

That plan, discussed last month in Geneva, has been rejected by Bosnian President Alija Izetbegovic, his vice-president Ejup Ganic and Bosnian army chief Rasim Delic. All three are members of the presidency trying to draw up its own alternate plan.

"It is important that an answer be received and that it provide a basis for beginning negotiations," said Mills. "We have some reason to believe that such a response could be forthcoming imminently."

European Community mediator Lord Owen was expected to join Stoltenberg in Zagreb late Wednesday and both men "are certainly ready to meet with the presidency," Mills said.

Stoltenberg and Owen are to meet Wednesday evening with Croatian President Franjo Tudjman. On Thursday they will head to Belgrade to meet Serb President Slobodan Milosevic.

Sarajevo City Council Hunger Strike Ends

AU0707194493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 7 Jul 93

[Excerpt] The Sarajevo City Council decided to end its hunger strike today. Mersiha Colo reports:

[Begin Colo recording] By deciding to end the hunger strike, the Sarajevo City Council has heard numerous collective and individual appeals and recommendations to end the strike, which the council has been receiving in the last few days, as well as the expert physicians' opinion that persistence in the strike would endanger the lives of the strikers.

However, the Sarajevo City Council believes that the minimal improvement of the situation that was achieved by the distribution of 2.5 kg of food per resident in the first week of July is a short-term solution that will not secure the survival of the starving and suffering population for any substantial period of time.

The situation in Sarajevo, therefore, continues to be dramatic, as the general behavior of the international institutions, most powerful nations and statesmen, and the entire international public does not promise any significant changes in the international policy toward the aggression against Bosnia-Herzegovina. For this reason the Sarajevo City Council on this occasion appeals to the residents of Sarajevo to show solidarity and help each other. [passage omitted] [end recording].

Lasic Condemns Persecution of Croats, Violence

AU0707194393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 7 Jul 93

[Text] One of the main events in the country today was the act of Miro Lasic, Bosnia-Herzegovina Presidency member. [Words indistinct] to the Croatian nation that [words indistinct] Bosnia-Herzegovina, the republican Presidency, and to the Muslim and the Croatian nations,

as the constituent nations, and to all residents of our country, I condemn the unlawful acts of violence and terrorist actions that [word indistinct] and that are increasingly being committed against the residents of Sarajevo, is stated in today's statement for the public by Bosnia-Herzegovina Presidency member Miro Lasic.

The Croats in Sarajevo are disappearing from the streets of this town and even from their homes. They are being imprisoned without a warrant or a reason, drafted as slave labor, or held hostage in the internal clashes of the warring armed formations, they are being mistreated and tortured in various ways, and even killed. These [word indistinct] that provoke disgust with the honest fighters for the survival of the state of Bosnia-Herzegovina are blackening their good reputation, increasing, and threaten to (?reach) the tragic proportions of [word indistinct] between the Croats and the residents of Sarajevo.

The existential and biological survival of the Croats, as well as the Serbs, in Sarajevo is being endangered. We are (?subjected) to ethnic terror and cleansing, Presidency member Miro Lasic says.

Lasic emphasized that the Croats, together with their neighbors, are patiently enduring all the shortages of the surrounded Sarajevo and life without the elementary conditions for work, but, as he says, they will not accept being second class citizens in [word indistinct] homeland and their own homes, and they reject any rule of terror and violence by [word indistinct] individuals.

[Word indistinct] against the Sarajevo mass media, which, evidently with war-mongering intentions, are spreading ethnic hatred with a pronouncedly anti-Croatian charge and thus contributing to the legal and existential [word indistinct] of the (?political) Croats in Sarajevo.

I demand that all armed formations be subordinated to the legal and legitimate civilian authorities and that civil order be restored.

I demand that the authorities of the Republic and the town of Sarajevo immediately take effective and decisive measures to allow (?consistently) equal life [words indistinct] to all residents of Sarajevo. Particularly when [words indistinct] sad news, we demand an immediate end to clashes between the Bosnia-Herzegovina Army and the Croatian Defense Council [HVO] in central Bosnia and the formation of Muslim-Croatian peace councils at all levels to end the bloodshed between the two nations.

I demand the end of the military aggression and the immediate resumption of the peace process in our country—Bosnia-Herzegovina, is stated at the end of the statement for the public by Bosnia-Herzegovina Presidency member Miro Lasic.

Presidency May Ask for Status as UN Protectorate

AU0707184893 Paris AFP in English 1635 GMT 7 Jul 93

[Text] Sarajevo, July 7 (AFP)—The Bosnian presidency plans to call for Bosnia-Herzegovina to become an international protectorate if it fails to reach agreement on the country's future, the speaker of parliament said Wednesday [7 July].

Speaker Miro Lazovic unveiled peace initiatives for the country drawn up by a presidency working group which proposed dividing the country into between four and 18 provinces.

"If our initiatives are not accepted or if any solution seems to threaten the survival of Bosnia then we feel in such a case we would have to call for the country to be put under an international protectorate if we are to save Bosnia," Lazovic told AFP.

Lazovic is a member of the working group which was reporting its own peace proposals for the war-torn republic Wednesday to the Bosnian presidency meeting here.

The idea of a protectorate would be the presidency's final card in trying to ensure the country's survival.

Apart from Lazovic who is a Serb, the working group comprises Moslem Vice-President Ejup Ganic, and Croat Miro Lasic.

Lazovic said the proposals put forward Wednesday envisaged keeping Bosnia intact as an independent state recognised by the United Nations.

"The idea of dividing Bosnia into three states is unacceptable to us," he said, emphasizing that the three members of the group were unanimous on that point.

But he added that Lasic also thought all the proposals, including the Serb-Croat plan to carve the republic into three ethnic mini-states loosely linked in a confederation, should be discussed.

Lazovic said: "We are ready to discuss the number of provinces or federal entities which could have a greater degree of autonomy, but we cannot accept the break-up of Bosnia.

"These provinces would not be states, they would not be able to sign international agreements and they would not be able to question Bosnia's territorial integrity."

He said the aim was to try to find a solution somewhere between the now defunct Vance-Owen plan and the Serb-Croat plan. The presidency will meet again in four to five days to make a final decision.

But the presidency was warned Wednesday that time was running out for negotiating a peaceful settlement in Bosnia.

"We are running out of time," said international peace conference spokesman John Mills, who arrived in

Zagreb Tuesday with U.N. mediator Thorvald Stoltenberg. "It is extremely urgent that the Bosnian presidency begins to negotiate and that the fighting stops."

The Serb-Croat plan, discussed last month in Geneva, has been rejected by Bosnian President Alija Izetbegovic, his vice-president Ejup Ganic and Bosnian army chief Rasim Delic.

European Community mediator Lord Owen was expected to join Stoltenberg in Zagreb late Wednesday and both men "are certainly ready to meet with the presidency," Mills said.

The United Nations is also hoping that the three warring parties will sign an accord Friday confirming a Security Council resolution declaring Sarajevo to be a safe area.

French General Philippe Morillon, the outgoing commander of U.N. troops in Bosnia, is optimistic that Serb, Croat and Moslem military leaders will sign the accord during a meeting at Sarajevo airport Friday, Barry Frewer, a spokesman for the U.N. Protection Force (UNPROFOR), said.

Meanwhile the new commander of the U.N. Protection Force in the former Yugoslavia, General Jean Cot, arrived Wednesday in Skopje for his first visit to Macedonia.

'Loyal to Peace Process'

AU0707184793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 7 Jul 93

[Mirsad Kulender report]

[Text] A session of the Bosnia-Herzegovina Presidency, chaired by President Alija Izetbegovic, was held today.

The Bosnia-Herzegovina Presidency remains loyal to the peace process and believes that reopening the London conference would stimulate this process.

The Presidency concluded that further talks will only be possible if a cease-fire and the opening of humanitarian corridors are secured for the duration of the talks.

The Presidency will demand that the relevant international factors provide guarantees for the safeguarding of peace during the negotiations, that is, for the realization of the agreement that will be reached.

The Presidency also decided to send a letter about the aforementioned guarantees to the G-7 leaders who are currently meeting in Tokyo.

Consultations on several solutions proposed for the future constitution of Bosnia-Herzegovina will continue in the next few days.

Muslim Attacks on HVO Positions Continue

LD0807125893 Zagreb Radio Croatia Network in English 1205 GMT 8 Jul 93

[Text] In central Bosnia, the Muslim army is continuing its attack on Croatian Defense Council [HVO] positions in Croatian villages in the vicinity of Kiseljak, Fojnica, Busovaca, and Kresevo. This morning at 0500 hours, shells fell on the Kiseljak town center.

Serbs Confirm Croat-Muslim Fighting

LD0807105893 Belgrade TANJUG in English 1040 GMT 8 Jul 93

[Pool item]

[Text] Belgrade, July 8 (TANJUG)—Bosnian Croat authorities in Novi Travnik have issued a general mobilisation order in an effort to reinforce the defences in the face of a threat from a strong Moslem army advancing on that central Bosnian town, Croatian radio said on Thursday.

Bosnian Serb army sources have confirmed that their reconnaissance teams have noticed a Moslem motorised column advancing from the direction of Bugojno.

Croatian radio said that Moslem artillery had shelled Novi Travnik for hours on Wednesday and that many buildings were ablaze. Bosnian Serb Army sources in neighbouring Srbobran have confirmed the report.

Moslems and Croats began the Bosnian war as allies against the local Serbs 16 months ago, but have fallen out earlier this year and been waging a ruthless war for control of territories with mixed populations.

The Moslem offensive on the Croat strongholds in central Bosnia is motivated by a desire to seize the arms factories located in the area. Moslems already control a factory of munitions and light weapons in Konjic, Herzegovina, and are fighting to seize also those in Novi Travnik, which are making heavy weaponry and rockets and were built for the needs of the defunct Yugoslav People's Army (JNA).

Moslem-controlled Radio Sarajevo said on Wednesday night that fighting with the Croats was escalating also in Gornji Vakuf, central Bosnia.

Croatian radio said that Moslems had been attacking without respite the Croat-control towns of Busovaca, Fojnica, Kiseljak and Kresevo in central Bosnia since Wednesday.

The source said that more than 100 shells had been fired on Fojnica alone, and that at least 10 Bosnian Croats troops had been killed in the fighting.

Moslem-Croat battles continue to rage also in Zepca, Zavidovici and Kakanj, central Bosnia, the radio said

and added that Moslem extremists had torched all Croat villages in the area and the Franciscan monastery on Mt. Guca Gora near Travnik.

Muslims Hold 300 Croats Captive Near Visoko

LD0707132693 Mostar Croatian Radio Herceg-Bosna in Serbo-Croatian 1200 GMT 7 Jul 93

[Excerpts] Yesterday Muslim forces launched fierce attacks on Croatian Defense Council [HVO] positions and the civilian population around Kiseljak and Busovaca. [passage omitted]

This morning the HVO's central Bosnia operational zone reported that Muslims used heavy artillery weapons to target St. Jacob's church in Vitez. The Muslims looted several villages in Fojnica and they are holding about 300 Croats captive in the village of Zabrdje near Visoko.

Croats Holding 2,000 Bosnian Army Soldiers

AU0807074593 Paris AFP in English 2155 GMT 7 Jul 93

[Text] Vitez, Bosnia-Herzegovina, July 7 (AFP)—Some 2,000 soldiers of the mostly Moslem Bosnian army have been captured by Croat forces in the Maglaj region of central Bosnia, a Croatian military source said Wednesday.

Some 800 Moslem civilians had also been cut off by the heavy fighting which has opposed Moslem and Croat forces in the region since late June, the source added, saying that Croatian forces had asked the International Committee of the Red Cross to provide food for the civilians.

Fighting was continuing in the area where Croatian forces, according to the military source, had gained ground to the north and south of Zepce. Moslem forces were still in control of the road leading eastwards from Zepce to Zavidovici, concurrent military sources indicated.

A joint attack by Croat and Serb forces earlier this month appeared to have cut off Moslem forces in Zenica from those north of Maglaj, according to unconfirmed reports.

Meanwhile, several people were slightly wounded Wednesday afternoon when three shells fel on buildings housing Moslem refugees in Travnik. The attack, believed to be the work of Serbs, took place just an hour after U.N. trucks had brought some 250 refugees to the centre.

Croatian Denial of Muslim Charges of Atrocities

LD0707174793 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1600 GMT 7 Jul 93

[Excerpt] Citing Barry Frewer, UN Protection Force spokesman in Sarajevo, Sarajevo Radio has for two days been claiming that street fighting has been going on in Stolac, Capljina, Ljubuski and even Citluk. Is this true? Ivo Ragus reports from Stolac:

[Ragus] In response to rumors and lies spread on Radio Sarajevo about alleged street fighting in Stolac, Capljina, and [word indistinct], and alleged murder, plunder, and rape of Muslim women—all of which come within the scope of anti-Croatian propaganda—on the basis of the true state of affairs, the relevant authorities in Stolac most resolutely deny these recriminations and lies. [passage omitted]

Prlic Views Muslim, Croatian Relations

AU0207185293 Split SLOBODNA DALMACIJA in Serbo-Croatian 21-22 June 93 pp 10, 11

[Interview with Dr. Jadranko Prlic, chairman of the Croatian Defense Council of the Croatian community of Herceg-Bosna, by Ante Suljak; place and date not given: "Croatia Will Not Make Decisions on Shifts in Herceg-Bosna"]

[Excerpts] [Suljak] Mr. Prlic, how should I address you? Prime minister of Herceg-Bosna or prime minister of Bosnia-Herzegovina?

[Prlic] I am Croatian Defense Council [HVO] chairman of Herceg-Bosna. As agreed upon in Medjugorje, I have been appointed prime minister of the Government of Bosnia-Herzegovina as decided upon by the representatives of the Muslim and Croatian people in Bosnia-Herzegovina and the cochairmen of the peace conference on former Yugoslavia. After I was appointed prime minister, I undertook all the technical preparations necessary for the constitution of the central Government, in accordance with the Vance-Owen plan. The development of the situation thereafter, though, called into question the implementation of the Medjugorje agreement on many issues, including that one. What will happen to all the specifications of the agreement at this time is difficult to say, but it is obvious that the most important ones—the decisive ones for the cessation of the war between Muslims and Croats—have been not only disregarded, Muslim army attacks have in fact intensified. Given such a situation, the implementation of any other agreements from Medjugorje is considerably relativized.

Uncovered Alija

[Suljak] In the weeks following the Medjugorje meeting a session of the Presidency of Bosnia-Herzegovina took place in Geneva, on the initiative of the mediators. How do you assess that meeting?

[Prlic] The international community has obviously understood a game played by the Muslim leadership regarding the legitimacy of the authorities in Bosnia-Herzegovina. The Muslim leadership actually used the international recognition of Bosnia-Herzegovina and made an instrument out of the entire state structure. It could still have functioned on a different basis, especially with respect to international arrangements and our presentation in the world. The international community finally understood that Alija Izetbegovic cannot be the constitutional president of the Presidency, and it especially understood that he is only one of seven members of that collective body. We believe that fact is quite clear to many interested parties in the world, and according to the information we have received they will behave according to that knowledge in the future.

[Suljak] Geneva engendered a significant deviation from the existing Vance-Owen plan of 10 provinces, advancing a new proposal consisting of an internal state organization composed of three constituent units.

[Prlic] That is, actually, the only political view regarding the future political organization of Bosnia-Herzegovina that Herceg-Bosna supports in its political platform. Let me remind you that one of the platform's political goals is the establishment of Bosnia-Herzegovina as a state composed of three national units, which does not mean that Bosnia-Herzegovina would be divided into three parts. Those constituent units may be composed of several territorial, perhaps even unconnected, parts. In that way Bosnia-Herzegovina will have many parts, but will basically be composed of three constituent units. We believe that is the absolute reality and the only way for the war to cease. That is also the only way of connecting the entire territory of Bosnia-Herzegovina by economic and other means after the war, because it is a fact that mutual cooperation and depending on one another later, when the war ends, will be necessary. [passage omitted]

Painful Disappointment

[Suljak] After the breakout of the current Muslim-Croatian fighting, the existence of many regions in central Bosnia, which Croats historically lay claim to, became quite questionable. After all, those regions were specified as sections of Croatian provinces by the former peace plan.

[Prlic] Let me say one thing—historically, probably one of the most painful disappointments for Croats is this disappointment with Muslims. One should not need to bring up what the Croatian people did for Muslims. The way they returned the favor to the Croats is one of our people's most disgusting experiences. I personally believe that conflict within the civil population in those ethnically mixed areas of central Bosnia never existed.

[Suljak] What do you think are the reasons for the Muslim-Croatian clashes in central Bosnia?

[Prlic] The refugees, a great number of refugees, among whom soldiers for the Muslim army have been recruited. Those men are quite easy to manipulate. A man who loses everything he ever had and happens to be on foreign territory, who is given promises that he will own as much as he captures, and is furthermore totally depressed, is ready to do anything. It is one of more important reasons for what has been happening. It is a way of implementing a global plan that is deliberated and coordinated by the center of the Muslim leadership in Bosnia-Herzegovina. [passage omitted]

[Suljak] Shortly after the Croats from Travnik and the surrounding area had fled before the Muslim onslaught and found refuge on the territory controlled by the Serbian army, you took part in talks with the Serbian representatives. What did you discuss?

[Prlic] I took part in one of many meetings of the Commission for Exchange of Prisoners of War. It is well-known that in the regions controlled by Serbs there are Croatian prisoners of war who have been held there for almost 14 months. Despite all the agreements reached at international conferences, it did not come to an exchange of prisoners, despite, for instance, the Geneva agreement requiring an all-for-all exchange which was observed by the Croatian side, not the Serbian side. That was a good reason for me to try to settle those problems at the government level, and it seems to me things are going much better now as far as the prisoners of war exchange is concerned. In those talks, I also expressed gratitude to the Serbian people for taking in the Croats who had been forced to leave their homes and seek refuge on Serbian territory.

[Suljak] Is anybody going to reap the consequences of that obviously organized refuge of Croatian people to Serbian territory?

[Prlic] Listen, if you were to choose between having your people massacred or saved, even if the latter presupposed transport through Serbian territory, I think the choice would be quite clear.

[Suljak] But the case still caused certain negative political connotations among some people. Besides, Serbs have capitalized on the case more than successfully for their own goals.

[Prlic] As a Croat with a certain function at this moment, I do not care in the least about such political ramifications when Croatian lives are at stake. I am completely unconcerned with what might be said, or how the situation might be viewed. One must not pursue petty politics when peoples' lives are at stake.

[Suljak] Still, the strangest thing about the whole situation is that a great number of HVO warriors left their positions and surrendered to Serbs.

[Prlic] According to the information I received, those were all men fit for combat. However, only 60 or so of them were armed.

[Suljak] Can we still speak of the existence of Herceg-Bosna after these most recent events in central Bosnia, especially since the range of its jurisdiction is much smaller today than it was when it was established?

[Prlic] Yes, we can, and we can speak of its existence today more than ever. Is not the Geneva proposal the most explicit recognition of Herceg-Bosna by the international community made so far? [passage omitted]

[Suljak] The idea that Croatia is also suffering because of Herceg-Bosna's policy and existence is attracting more and more followers among a certain cross-section of the Croatian public.

[Prlic] First and foremost, Croatia does not suffer at all. I believe that everything that has been done so far in Herceg-Bosna, what the Croats in Bosnia-Herzegovina have done in Bosnia-Herzegovina, should make not only

Croatians proud of them, but their mother country also. Such malicious speculations do not take into consideration either the real situation or real conditions in which the Republic of Croatia and Croatian people in Bosnia-Herzegovina exist. This way of thinking is tantamount to gossip, making general conclusions on the basis of some unfounded information, and obviously unable to logically analyze the entire situation.

Both the Republic of Croatia and the Croats in Bosnia-Herzegovina are embroiled in a cobweb of international factors that have determined to a large extent the course of events here. Can anybody reasonably believe that the presence of French and British UN protection forces is mere chance? Anyway, History will have the last word. We can only discuss those things we are able to do, and what we have already accomplished. As for the Croats in Bosnia-Herzegovina, since the beginning of the war in Croatia they showed their awareness and wish to save both Croatia and the Croatian people in Bosnia-Herzegovina. They took steps to that end. All else is cheap political speculation, and all who talk in that way must stand in front of a mirror and admit what they did in the most difficult moments of the Croatian people's recent history.

[Suljak] Some high Croatian officials publicly hold the view that the policy pursued by Herceg-Bosna and its leaders ought to be changed, and even advocate a shift in the leadership of Herceg-Bosna.

[Prlic] As for suspensions of certain people in Herceg-Bosna, it is the Croats in Bosnia-Herzegovina who will decide if there should be any, and if so, it is they who will carry them out, and not political circles in Croatia.

[Suljak] One of the reasons the policy of Herceg-Bosna is criticized is that the interests of Croats in other parts of Bosnia-Herzegovina have been inadequately addressed. The latest events confirm such criticisms, do they not?

[Prlic] The theories have obviously been mistaken. When something happens, then everybody is to blame. In the beginning the Croats in Bosnia-Herzegovina were armed by Herceg-Bosna. They were ready to defend Bosnia-Herzegovina and were the only people defending it all that time, as a matter of fact. The reason for the current situation must be sought elsewhere. Serbian conquests assumed such proportions, they forced the Bosnia-Herzegovinan majority to fight for mere living space. They have been fighting for living space in places where it is easier—at the expense of Croats. That is the basic explanation of the situation in Bosnia-Herzegovina. As for the belief that Croats should support a unitary and civil Bosnia-Herzegovina from the beginning, are they not proven false by the very sight of what is happening now? What would have happened if Croats had not been well-armed and ready to fight as they did at that time? Those who refer to us in that way should visit all those regions in central Bosnia and talk with the HVO soldiers in Busovaca, Vitez, Kiseljak, Vares, Usora.... Only then will they be able to form certain opinions. All the opinions you have stated are derived from an analysis of the situation made abroad, without knowledge not only of the true state of affairs, but also the mood of the Croats in those regions.

[Box, p 11]

"Shuffle"

[Suljak] A shuffle of the civil and military authorities is occurring in Mostar. What is that all about?

[Prlic] The issue does not concern only Mostar. Certain officials were obviously unable to cope with what needed to be done or the timetable given. Therefore I refer primarily to professional competence. When we complete the analysis on the functioning of administrative bodies in all areas, we will implement suitable measures.

Army Reports Attacks on Zavidovici, Vitez, Kiseljak

AU0707202393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 7 Jul 93

[Text] The press center of the Bosnia-Herzegovina Army reports that the combat activities and attacks by the Chetniks and extremist groups of the Croatian Defense Council [HVO] continue in the zone of responsibility of the Third Corps.

The hellish attacks of the joined artillery of the Chetniks and the HVO extremists do not stop and are particularly intense in the Zavidovici commune. Thousands of grenades have fallen on the civilian population in this area. Deafening explosions are also echoing through the Bosna River valley today. The Chetniks are stepping up their attacks on the Vitez-Kiseljak battlefield. [Word indistinct] was also shelled.

There is no peace in the Vitez and Busovaca areas either, where HVO troops have been attacking the units of the Bosnia-Herzegovina Army.

The clashes in the Lasnja River and Neretva River valleys have intensified. [Words indistinct] the UN observers noticed several looted and burnt homes. According to UNPROFOR, (?these were) Croatian villages.

Fighting Reported in Maglaj, Olovo, Zavidovici

AU0807093493

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 8 July carries in its regular 13-minute newscast several reports on fighting in the country.

Reporting from Maglaj, Hajrudin Sermic says that "yesterday evening the Chetnik-Ustasha coalition increased the attacks on our positions and civilian targets. The 111 Brigade Croatian Defense Council [HVO] and the Chetniks attempted several infantry breakthroughs overnight in the region of (?Lijesnica), using illumination mines [osvetljavajuca mina]."

In her report from Olovo, Amira Salihbasic says that "the enemy artillery was quiet all day yesterday only to

become active in the late afternoon hours. From 1540 [1340 GMT] to 1800, 155-mm howitzers and tanks from all the Chetnik strongholds pounded the area."

The Press Center of the Operative Group Bosnia reports from Zavidovici that "the Chetniks fired several 120-mm mortars on Mahoje, and dozens of 60- and 82-mm mortars at Smajlbasici and (?Prasljevine) last night. It is relatively peaceful this morning, with sporadic enemy small arms fire at Mahoje and (?Prasljevine)."

Muslims in Gorazde Attack Adjacent Serb Positions

LD0807113693 Belgrade TANJUG in English 1108 GMT 8 Jul 93

[Text] Bratunac, July 8 (TANJUG)—Moslems in Gorazde, a Moslem enclave in eastern Bosnia designated by the United Nations as a safe area, have been attacking the adjacent positions of Bosnian Serbs for two days running, said the Bosnian Serb Army command. Moslems in Gorazde, one of six designated safe areas which should have been demilitarised long ago, are attacking in an effort to enlarge the territory under their control, the source said in a statement. The statement specified that, in the past 24 hours, Moslem units in Gorazde had launched an assault on Cajnice, on the border with Yugoslavia, but were repulsed.

The Bosnian Serb Army has noticed significant troop movements and concentration of strong Moslem formations opposite to the Serb positions at Kladanj and Olovo in southeastern Bosnia, the source said. During the day on Wednesday and last night, Moslems in Tuzla, in the east, tried to no avail to open a corridor to link up with their troops in central Bosnia, the Bosnian Serb Army command said in its statement.

Continuing Fighting in Gradacac, Gorazde

AU0807112293

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 8 July carries in its regular 18-minute newscast several reports on the fighting in the Republic.

The Gradacac Information Center reports that "at about 0615 [0415 GMT] this morning, the Chetniks launched a massive artillery attack from their stronghold in Vis, and attempted an infantry breakthrough in Sibovac and the industrial zone. From Turic, mortars pounded Liporasce. At this moment, howitzers from Skugric are shelling the central parts of the town."

Reporting from Gorazde, Mustafa Kurtovic says that "last night the aggressor fired hundreds of shells on the villages along the (?Otronska Rijeka). The Chetniks used Praga, mortars, antiaircraft guns and machine guns. It is impossible to establish the number of casualties as these villages cannot be reached because of the artillery activity that is still under way."

In his report from Bihac, Mehmedalija Zulic says that "the Chetniks used artillery overnight against the civilian targets on the Bosanska Krupa front. The defense lines of Buzim and Velika Kladusa were also shelled. Semi-automatic arms fire could be heard on the fronts around Bihac. An unidentified aircraft was registered over this front, which disappeared in the direction of the Plitvice Lakes. Movement of motorized vehicles was spotted on several locations."

The studio announcer says that it is "relatively quiet" in Sarajevo.

Muslim Attacks on Serbs Reported Toward Kalinovik

LD0707212393 Belgrade TANJUG in English 2051 GMT 7 Jul 93

[Text] Trebinje, July 7 (TANJUG)—After heavy fighting, members of the Herzegovina Corps of the Bosnian Serb Republic's Army on Wednesday checked Moslem infantry attacks from the direction of Trnovo towards Kalinovik in northern Herzegovina, Bosnian Serb military sources said. The Moslem Army attacks were accompanied with strong artillery support, these sources said.

There are no official announcements as regards the possible casualties in Wednesday's fighting in the broader area of Kalinovik.

The same sources said Armed Forces of the Republic of Croatia early on Wednesday morning grossly violated the ceasefire agreement by firing a number of 82-mm mortar shells on the area of Dzivarske Poljice near Trebinje.

Prosecution of Human Rights Violators Urged

AU0707173393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 7 Jul 93

[Excerpts] After the start of this newscast we received a report on today's extraordinary session of the Council for Protection of Constitutional Order of the Republic of Bosnia-Herzegovina. Senada Cumurovic reports:

[Begin recording] Interior Minister Dakir Alispahic spoke about the situation in Bosnia-Herzegovina and Sarajevo. As always, he [words indistinct] truly difficult situation [word indistinct] continued aggression and [words indistinct] between the Army and the Croatian Defense Council on the territory of central Bosnia and in Neretva valley, as well as excessive behavior by individual groups within the Bosnia-Herzegovina Army. The events that took place in Sarajevo the night of 2 to 3 July, when individuals from the 9th and 10th Hill Brigades conquered important positions in Stari Grad and Centar, further threatening the safety of citizens and material goods, also fall within this category. [passage omitted]

Momir Alibagic [commander of the Sarajevo Security Services' Center] proposed the following measures: to boost the Security Services' Center with personnel and materiel as quickly as possible; to [words indistinct] a

curfew and return to [words indistinct] regular tasks; to work on resolution of [word indistinct] of the Security Services' Center as well as the Bosnia-Herzegovina Army, which also implies personnel changes in those Army structures that [words indistinct] criminal.

[Words indistinct] that was discussed at the session of the Council for Protection of the Constitutional Order today, major events [words indistinct] and incident that preceded it, by which fundamental human rights have been threatened. As a part of this and with the support of the organs of the Interior Ministry and the Security Services' Center [words indistinct] at the address of the Bosnia-Herzegovina Presidency and the leadership of the Bosnia- Herzegovina Army, which failed to act more decisively as individual [word indistinct] were characterized as an uprising against the state. [passage omitted]

At the end of today's session of the Council for the Protection of the Constitutional Order of Bosnia-Herzegovina, Mirko Pejanovic [member of the Bosnia-Herzegovina Presidency] advanced the following suggestions:

First, that the proposal [words indistinct] session be forwarded to the Presidency and the government; that this council then produce a report on the implementation of today's suggestions within 10 days, and that the members of the Bosnia-Herzegovina Army as well as others who have violated the law and endangered the security and personal freedom of citizens, face prosecution. [end recording]

Izetbegovic Aspiring To 'Annihilation' of Croats

LD0707170493 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 7 Jul 93

[Report by correspondent Zdenko Vranjes]

[Excerpts] The Muslim Army is attacking the regions of Kiseljak, Fojnica, Kresevo, and Busovaca also today. [passage omitted]

A statement was issued today by the office of the President of the Croatian Community of Herzeg-Bosna, Mate Boban, containing his reaction to a meeting contrived and convened by Alija Izetbegovic, which is to be held in Sarajevo and, allegedly, is to be attended by members of the [Bosnia-Herzegovina] Presidency, government, and parliamentary parties. Alija Izetbegovic wishes to use the unconstitutional and contrived assembly to get rid of his political opponents, Croats, who are not to his liking, and install new people, his of course—all this under the pretext of some kind of his Bosnia-Herzegovina, the statement says.

Instead of coming to the negotiating table and endeavoring to stop the war in Bosnia-Herzegovina, Alija Izetbegovic is coming up with new forms of pulling the wool over the international public's eyes, contriving new ways to secure his legitimacy, even at the price of inciting an even wider war and the suicide of his own people.

The reason for the fresh showdown by Alija Izetbegovic with his erstwhile associates is his loss of support within the Presidency itself, and what is even worse for him, among his own people. By using as a screen some nonexistent parties with only a dozen members, or parties under strict control of the Muslim Army to protect his self-styled rule, with the simultaneous continuation of ethnic cleansing of Croats in central Bosnia, Izetbegovic wishes to deny right to the legitimate representatives of the Croatian people to fight for their survival by political means.

By this, he is precipitating them into a war as the only way of preserving their freedom, property, and lives. The war of annihilation is the only thing that Alija Izetbegovic is aspiring to, while at the same time he is trying to conceal his aggression against the Croatian population of Bosnia-Herzegovina with an alleged legitimacy of the internationally recognized state and government. Izetbegovic is abusing that legitimacy according to the *l'etat-c'est-moi* principle, the statement says.

Croats, predominantly women and children, are also coming to Citluk today. These are refugees from the villages occupied by the Muslim Army in the Konjic municipality. Three hundred of them arrived yesterday, the same number today.

1,500 Russian Mercenaries Reported in B-H

93BA1193A Zagreb DANAS in Serbo-Croatian 25 Jun 93 pp 40-41

[Article by Ivan Nekrasov: "I Am Fighting for 30 Marks"]

[Text] *"I prefer Bosnia to Russia," declares a volunteer from Russia before leaving for Bosnia to fight on the Serb side. Recently, the Russian parliament rejected a law on mercenaries, of which there are already around 1,500 in Bosnia-Herzegovina.*

The mercenary carefully examines a detailed map of Bosnia-Herzegovina, marking the spots where Russian volunteers are deployed. He knows of only 11 such places, but he says that there are more of them, although no one knows about all the places where Russians are deployed. Moreover, some units do not provide even basic information about themselves, so that nothing is known about them until they return to the homeland or to Serbia.

Our source has been fighting on the Serb side for around four months, but he has carried a weapon for the past two years. Before Bosnia he was involved in fighting in the Caucasus. He asks us not to publish his name:

"I am getting ready to return to Bosnia and I do not want my last name or even my nickname, which the Muslims know, to be published until I leave."

We met in mid-February 1993 in the small Serb town of Skelani, in eastern Bosnia. At the time, I was the first Russian journalist to make it the entire route from St.

Petersburg to the volunteer unit in Skelani. The trip took nearly three days, and that is how around 100 Russians arrived in various areas of Bosnia, also starting from St. Petersburg. Besides that training center, which is linked to the Serbs, there are others in Moscow, Rostov, Saratov, and a number of cities in the Urals.

Muslims are willing to pay foreign mercenaries 1,500 German marks [DM], so it is likely that the eight Chechens that the Russian volunteers know about are receiving that amount. The Muslims are joined primarily by mujahidin, but there are also refugees from several Muslim countries and from some states of Western Europe. Thus, there was a Lebanese prisoner in Skelani, who was later exchanged for a Serb. There was also an Austrian there fighting against the Russians. On the Serb side, besides Russians, Romanians, and Bulgarians, there are Greeks and Poles fighting, and even one Italian is known about.

We Are Better Than the Serbs

All in all, according to my anonymous acquaintance's estimate, there are between 1,000 and 1,500 Russian volunteers in Bosnia-Herzegovina, the "borderland" (Croatia), and Serbia itself, while Muslim sources allege that there are around 4,000 of them. A new group of 50 people was recently sent from Moscow. No one knows how many of them will ever go home. At Visegrad in eastern Bosnia, around 25 Russians and several Romanians were killed in heavy fighting on 2 June, according to various information obtained from volunteers. According to our anonymous volunteer, it is possible that at most 100 Russians were killed in the general chaos, while it has been reported that more than 200 of them have died in Sarajevo. Never before have there been reports of more than 20 Russian volunteer casualties. Active efforts have been undertaken to reach an agreement with the authorities in Sarajevo on a possible transfer of the bodies of two Russian volunteers who were taken by surprise by the Muslims at Visegrad on 12 April. Not a single attack by the Serb side to recover the bodies of Lt. Dmitriy Popov (25) and Capt. Vladimir Safonov (36, two children) has succeeded.

"If the 'Turks' refuse to do so willingly, then let me get a few Muslims for our two boys," my source says angrily.

There can be no doubt that he already has some killed Bosnians on his conscience. Even in eastern Bosnia, I could tell that he was more prepared to kill than his fellow fighters were.

"The best Serb snipers cannot hit their target at a distance greater than 300 meters, but we are good up to a kilometer. A new group that will be sent to Bosnia before long will include the first Russian women snipers, who are even better prepared than we are. I would say that they are not at all nervous. It is summer now, and we can provide them with normal living conditions, unlike during the cold Bosnian winter when that is impossible," he relates.

Lately it has been said that the Russians are returning home from Bosnia. Is that true?

"Many have returned from the Serb republic [of Bosnia-Herzegovina] only for vacation, but I think that before long there will be many more Russians. Everyone who has fought in Bosnia will return, and they will bring new volunteers with them."

Are the Russians assured of weapons, ammunition, camouflage uniforms, razor blades, and nighttime equipment?

We Are Serbs and Russians

"All of that is OK. After all, we do not even need razor blades. And the weapons are the most modern available, and foreign ones, not Yugoslav. It is not true that the Muslims do not have modern weapons. The quality of their weapons is comparable to that of the Serbs, aside from the fact that they do not have aircraft."

How much are Russian volunteers paid? How much have you been paid?

"I will be an instructor in Bosnia and will get as much as the Serbs. Around DM30 a month, while the amount is agreed to individually with the other volunteers. I have not heard of anyone getting more than DM200 a month."

Has there been any desire to stay in Bosnia?

"Certainly that will happen. I do not want to stay in a Russia where there is so much fraud and duplicity. I do not want to be a persona non grata. I know my price and I will be wherever I am trusted and needed."

One gets the impression that the Russian volunteers are often "put out on a limb." The case of Popov and Safonov would be an unfortunate mistake and not a tragedy if only the Serbs had forestalled the more numerous Muslims in time with a prepared counterblow. Is it possible that Russians who long to go home will simply not be allowed into Russia if that becomes a mass phenomenon?

"That would be impossible. We have established very good relations with the local authorities and with the Serbian Radical Party of Vojislav Seselj. For that reason, no one can take exception to our decisions. Nor do I see any reason to. And it is probably true that we are sometimes 'put out on a limb.' But war is war."

Are Russian volunteers taking part in ethnic cleansing on the Serb side?

"No, we never demonstrate our attitude toward the population. Our training and preparation make it possible for us to successfully fight an armed adversary, but not unarmed civilians. We know that we are stronger than the Muslims. There are 20 to 25 Muslim casualties for every fallen Russian volunteer."

When and how will this war end?

"I think that it will go on until we win. But it is hard to say when that will be."

Who is "we"?

"We are the Serbs and the Russians."

The author of this article does not consider himself a Russian who would want to be a victor in this war.

European OSLOBODJENJE Allegedly Censored

93BA1193B Zagreb DANAS in Serbo-Croatian 25 Jun 93 p 33

[Article by Petar Grubisic: "Liberation of OSLOBODJENJE"]

[Text] *Is the Sarajevo daily going the way of Bosnian radio and television?*

Over the past year, the independent Bosnia-Herzegovina daily OSLOBODJENJE has collected many world journalism awards, and has even been declared newspaper of the year. Pages of text have been written in foreign publications about that newspaper, numerous stories have been run on the most reputable television networks, and its editors have emphasized during world tours that this is an example of an independent newspaper in the Balkan region.

But no one besides the unfortunate Sarajevans could read the newspaper that everyone was writing and talking about. Because just like the people, the newspaper too could not make it out of the Serb encirclement. That is where the idea came from to locate the newspaper, which was printed daily on several pages and had a run of several thousand copies, somewhere outside besieged and devastated Sarajevo. The OSLOBODJENJE business office decided to launch in Zagreb a European weekly with the same name as the Sarajevo daily.

The idea of the initiators was to publish in this weekly publication articles from the daily OSLOBODJENJE, with a small supplement of articles specially written for it. The project was entrusted to editor Josip Vricko, who lived and worked in Sarajevo for 11 long months. In Zagreb he found nothing more than office space, several refugee journalists, and the decision to start up the newspaper. To start with he had to find, besides employees, the money to print the publication, because after only the third issue the people at DELO asked him, "Have you paid for the printing yet?"

After 15 weeks, the newspaper settled in at around 15,000 sold copies. However, that was when problems emerged for Vricko and his assistant, Lidija Krslak. Salko Hasanefendic, the director of OSLOBODJENJE in Sarajevo, fired them with the explanation that they were not sticking to the approach agreed to in Sarajevo and that they were putting out an anti-Bosnian newspaper. In order to set things right at the European OSLOBODJENJE, Salko and his Sarajevo gang decided to send their "commissars" from Sarajevo every two months, who would not abandon their approach. The first executor appointed was Branko Tomic, a sports reporter and editor. In Salko's opinion, even Zagreb was no longer a suitable place to publish the newspaper, so that the editorial offices were moved to Ljubljana.

The nature of the new editorial approach and of the newspaper's orientation is demonstrated by an example: OSLOBODJENJE did not publish an interview given for it by Alija's nonsympathizer, Fikret Abdic. Has OSLOBODJENJE too begun to get rid of journalists who do not think like the SDA [Party of Democratic Action]? It would be next in line, because radio and television in Bosnia-Herzegovina have long since been completely purged.

[Box, p 33]

Josip Vricko, Fired Editor of the European Edition of OSLOBODJENJE

Directive From Sarajevo

[Vricko] A month ago, OSLOBODJENJE director Salko Hasanefendic notified me that I had been fired because I did not stick to the newspaper's agreed approach. The assessment of the editorial board and of the wartime Administrative Board, of which I had been a member while I was in Sarajevo, was that the newspaper was anti-Bosnian. I requested an interpretation of this assessment, but I did not receive one, nor did I get an explanation of my firing.

[Grubisic] Did you perhaps lose the OSLOBODJENJE market through that approach?

[Vricko] There were no market reasons for my firing, because this team in Zagreb turned nothing into a newspaper that was selling around 15,000 copies. Lately, we were supposed to begin receiving money from foreign sales as well. That money would have put us solidly in the black, even though we began publishing 15,000 German marks in the red.

[Grubisic] Did the Croatian authorities interfere with your work?

[Vricko] We had no problems whatsoever with the Croatian authorities. No one ever came to our office and asked what we were doing, even though for some time we were operating without the proper documentation. On the contrary, we requested an interview with Dr. Tudjman and in two days we got a response that he was willing to grant an interview for our newspaper. However, that coincided with his trip to China. Now I do not know whether that interview will be of interest to the new editorial team.

Peace Negotiators Warn Bosnian Presidency

AU0807073393 Paris AFP in English 2235 GMT 8 Jul 93

[Text] Zagreb, July 7 (AFP)—Yugoslavia's peace mediators Wednesday warned the Bosnian presidency that its failure to accept a Serb-Croat plan for the carve-up of the republic would doom peace negotiations and bring into question the very presence of U.N. forces on the ground.

European Community mediator Lord Owen and U.N. mediator Thorvald Stoltenberg issued their warning here following talks with Croatian President Franjo Tudjman.

The warning came as members of Bosnia's collective presidency were due to meet in Sarajevo to discuss the plan put forward by Croats and Serbs for the carve up of Bosnia into three ethnic mini-states grouped in a loose confederation.

The plan, discussed last month in Geneva, has already been rejected by Bosnian President Alija Izetbegovic, his vice-president Ejup Ganic and Bosnian army chief Rasim Delic. All three are members of the presidency trying to draw up its own alternate plan.

If the Bosnian presidency rejected the proposal "then we cannot go on with negotiations," Stoltenberg said.

"The war continuing does have very serious implications for the United Nations and the whole humanitarian efforts," Owen said for his part, pointing to the growing number of U.N. personnel killed or wounded in the conflict.

Tudjman said that by prolonging the war "parties to the conflict could only lose and had nothing to win."

Meanwhile in Sarajevo, the speaker of parliament, Miro Lazovic, said the presidency planned to call for Bosnia to be put under an international protectorate if its own peace initiatives were rejected.

"If our initiatives are not accepted or if any solution seems to threaten the survival of Bosnia then we feel in such a case we would have to call for the country to be put under an international protectorate if we are to save Bosnia," Lazovic said.

Stoltenberg and Owen were to travel to Belgrade on Thursday to meet Serbian President Slobodan Milosevic.

No Agreement in Geneva Talks With Serb Krajina

LD0707202993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1955 GMT 7 Jul 93

[Excerpt] Geneva, 7 Jul (TANJUG)—Today's round of talks on the normalization of relations between Krajina and Croatia ended without agreement on the implementation of Security Council resolution 802.

The Croatian delegation rejected the proposal put forward by the republic of Serb Krajina [RSK] to administer and deploy RSK police, in conjunction with the UN Protection Forcer, in the area where Croatian forces are to withdraw. [passage omitted]

Talks 'Stalled'

AU0707205093 Paris AFP in English 1958 GMT 7 Jul 93

[Text] Geneva, July 7 (AFP)—U.N.-mediated talks between Zagreb and Croatian Serbs who have proclaimed their own republic in Croatia's Krajina region stalled Wednesday [7 July] after the two sides failed to agree over who should administer the region around Maslenica, negotiators said.

Croat forces won back the Maslenica bridge, the vital link between the north and south of the republic, in a lightning offensive last January.

The two delegations, comprising both civilians and army representatives, were to continue their discussions Thursday on the status of the Krajina region, the southern region where the Serbs have proclaimed a "Serb republic of Krajina."

The Croat negotiators turned down a proposal by the Serb side concerning the administration of the Maslenica region in which the Maslenica bridge and the Peruca dam are located.

Croatia is demanding the recognition of its full sovereignty over the regions which fall within its internationally-recognised borders.

The republic's Serbs, who seized control of almost a quarter of Croatia in a six-month war in 1991, have so far rejected a proposal by mediators that would authorise the U.N. Protection Force [UNPROFOR] to administer the Maslenica region once the Croatian Army had withdrawn.

Serb foreign affairs spokesman Slobodan Jarcevic said he had suggested that a joint UNPROFOR and Serb police force be set up in the region.

Jarcevic was heading the Serb delegation instead of the speaker of the Croat Serb parliament, Mile Paspalj, who did not arrive in Geneva.

The Croatian delegation was headed by Slavko Degoricija, chairman of the parliamentary commission on the Serb minority.

The talks are being mediated by Geert Ahrens and Knut Vollebaek for the European Community and the United Nations respectively.

Tudjman Statements on Territory Exchanges Defended

LD0707223093 Zagreb HTV Television in Serbo-Croatian 1730 GMT 7 Jul 93

[Text] We will broadcast in full the reply of Vesna Skaro-Ozbolt, the press spokeswoman in the office of the president of the Republic of Croatia, mentioned in the previous item.

1. Commenting on a statement by Momcilo Krajisnik [president of the Serb republic assembly]—who allegedly said that the Serbs were ready to exchange certain areas in order for Serbia to gain access to the sea, mentioning the area between the Montenegrin border and Cilipi [Dubrovnik airport]—President Tudjman confirmed that Serb representatives had said at certain meetings that the Serbs would like to have access to the sea in that area, and that they were ready to give [to Croatia] in exchange, the area that would guarantee Dubrovnik's safety. We said that we did not want to discuss any kind of territory exchanges, but we were ready to discuss any issue in the framework of the global solving of the crisis in the territory of the former Yugoslavia and the security of the Croatian state.

President Tudjman therefore did not speak about any kind of territory exchanges with Serbia, that would negotiate the territory of a third, internationally recognized state, and he said even less about giving up certain parts of Croatian territory. President Tudjman only confirmed what he always stressed: That Croatia is ready to consider, that does not mean accept, any proposal that can reasonably and seriously lead to a final solution to the crisis.

In this context, the possibility was mentioned that the safety of Dubrovnik and the Dubrovnik hinterland be achieved through a negotiated solution to the status of the tip of Prevlaka.

2. President Tudjman went on to stress that Croatia will under no circumstances accept anything that will harm its interests in any way.

3. Asked whether Croatia will accept certain territorial concessions, President Tudjman said that Croatia will be ready to discuss this only if the territorial concessions Croatia will thus obtain will be more favorable than the concessions it will make. Clearly, such a theoretical possibility refers only and exclusively to the furthermost south of Croatia, i.e., the tip of Prevlaka, and not to other areas of the Republic of Croatia whose internationally recognized borders are guaranteed by the United Nations and the entire international community.

4. It is a known fact that, in accordance with Item 94, Article Two of the Constitution of the Republic of Croatia, the president of the state as head of state, represents the Republic at home and abroad, ensures that the constitution is observed, and secures the existence and unity of the Republic and of the regular functioning of the state authorities. Having such authority, President Tudjman takes part in all talks under the auspices of, or initiated by, the international conference on the former Yugoslavia. This in no way infringes upon, as the HSLS [Croatian Social-Liberal Party] claims, the sovereignty and territorial integrity of the Croatian state.

On the contrary, its sovereignty and territory are in this way best protected. It should not be forgotten in this context that according to Article Eight of the Constitution of the Republic of Croatia, it is only the Assembly of the Republic of Croatia that can pass a decision on changing the borders.

5. The HSLS is trying to ascribe the alleged trade-off of Croatian state territories to the Croatian president, which is totally unfounded, arbitrary and, evidently, inspired by dishonorable political motives aimed at alarming the Croatian public and sowing mistrust in the Croatian state leadership.

6. Equally impertinent is the HSLS's remark that only the Assembly can decide on the alteration of borders, because such statements unjustifiably imply that the president of the Republic of Croatia will allegedly be ready to take action, bypassing the provisions of the constitution.

7. Within the framework of assertions and accusations fabricated in such a way, the HSLS is trying to impose its political assessment that negotiations with the occupiers of parts of Croatia on the division of Bosnia-Herzegovina will lead us astray, and endanger the vital interests of the Croatian state and the Croatian people. Namely, it is not true that Croatia is negotiating the division of Bosnia-Herzegovina with the Serbian side, but is only taking part in talks organized under the auspices of the United Nations, the European Community, and other international factors, and attended by all interested parties.

8. Therefore, the HSLS's assertions could be described as a gross misunderstanding of the political process under way in the region of the former Yugoslavia. At the same time, these assertions are ill-intentioned to the degree where their objective or consequence results in the unjustified alarming of the Croatian public, that is, the destabilization of the constitutional and judicial order through the provoking of mistrust in the institution of the president of the Republic at a fateful time for the Republic of Croatia, the Croat people in Bosnia-Herzegovina, and elsewhere on the territory of former Yugoslavia, says the statement released by the Vesna Skaro-Ozbolt, press spokeswoman at the office of the president of the Republic.

Accusations Rejected

LD0707163793 Belgrade TANJUG in English 1618 GMT 7 Jul 93

[Text] Zagreb, July 7 (TANJUG)—A spokesman for Croatian President Franjo Tudjman on Wednesday rejected accusations by a Croatian opposition party that the president was prepared to trade in Croatian territory.

Tudjman has never spoken of exchanging territories with Serbia for a territory of a third, internationally recognized country, the spokesman, Vesna Ozbolt, said in a statement.

The criticism voiced by the Croatian Social Liberal Party was triggered by Tudjman's statement at a press conference in Zagreb on Monday that Croatia was willing to consider any question, including a possible exchange of parts of Croatian territory for areas in the hinterland of the Croatian Adriatic town of Dubrovnik.

The Dubrovnik hinterland, from which the town is supplied with drinking water, belongs to a part of former Bosnia-Herzegovina controlled by Bosnian Serbs. According to Tudjman, Bosnian Serbs would be willing to cede this territory in exchange for access to the Adriatic Sea south of Dubrovnik, towards the border with the Yugoslav Republic of Montenegro.

The uninhabited Prevlaka Peninsula on the border between Yugoslavia and Croatia dominates the entrance to the Yugoslav Adriatic Bay of Kotor and is of special strategic importance for Yugoslavia.

Ozbolt quoted Tudjman as saying that Croatia was willing to consider—which did not necessarily mean to accept—any proposal which could seriously and reasonably lead to resolving the crisis.

It is quite clear that this theoretical possibility relates only and exclusively to the southernmost part of Croatia—the tip of Prevlaka, said Ozbolt.

Tudjman Comments on Talks With Owen, Stoltenberg

LD0707222893 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 7 Jul 93

[Passages within quotation marks are recorded]

[Text] As we have been reporting, President Franjo Tudjman held talks in the Presidential Palace with Thorvald Stoltenberg and Lord David Owen, cochairmen of the peace conference on the former Yugoslavia. Here is Branko Merlin reporting:

[Merlin] Following an hour of talks with the two chairmen of the peace conference, President Tudjman informed journalists about the topics discussed.

[Tudjman] "I told the cochairmen that Croatia would open the pontoon bridge [across the Maslenica straits] and Zemunik airport on 18 July, and I asked them to do everything they can for this to be the first step in the normalization of relations in terms of the UN protected areas."

[Merlin] Recalling the negotiations which have been going on in Geneva since yesterday, and are to continue tomorrow, Lord Owen said that the easiest way to open the bridge and the airport would be to reach an agreement on this, to avoid renewed shelling, to cease hostilities, and to make progress in political negotiations, which is the aim of the peace conference. When Lord Owen said nothing about his own expectations from the negotiations in Geneva, President Tudjman told journalists the following:

[Tudjman] "If, following Security Council Resolution 847, the Serbs continue to jeopardize the normalization of relations, then of course Croatia should have every right—and I hope it will meet with the understanding of the international community—to secure the implementation of the Vance plan."

[Merlin] Another explanation prompted by a journalist's question:

[Tudjman] "The Knin representatives are officially still showing a stiff upper lip, but we know very well that in the Knin region, as well as in other zones, there are increasing numbers of Serbs who advocate the normalization of relations and a political solution."

[Merlin] President Tudjman also informed journalists about this evening's discussion on Bosnia-Herzegovina.

[Tudjman] "Of course we discussed how to stop the war in Bosnia-Herzegovina, how to restore peace and achieve a political solution. However, we are all facing very complex tasks. I informed the cochairmen about what I had learned from my discussions with the Sarajevo archbishop and others, and about what Croatia is doing to halt hostilities. However, we expect this visit by these gentlemen—they are in Zagreb today and will probably go to Belgrade tomorrow, and I think they will ask the Bosnia-Herzegovina Presidency in Sarajevo to state its views—to yield some results in reconciliation."

[Merlin] According to the two chairmen, the situation in Bosnia-Herzegovina is by no means good. Thorvald Stoltenberg is concerned that if Sarajevo does not give a reply which will make it possible to continue talks, the war will go on. He is also concerned about security problems which hamper the implementation of the work of the UNPROFOR [UN Protection Force].

The situation is bad and getting worse, Lord Owen says, recalling that towns such as Srebrenica and Sarajevo have no water, that epidemics may break out, and that there are increased casualties among the peace forces and humanitarian organizations. When Lord Owen was asked whether it was he who had suggested that the Muslims should have access to the sea, he explained that it was not his personal suggestion, that access to the Sava River and the sea had been mentioned, and that an international convention also offers a civilized solution for such cases. President Tudjman added:

[Tudjman] "To avoid later misunderstandings, and to restore peace and create preconditions for permanent stability in this region, I offered a free zone for the Muslim province—or republic now—in the Croatian port of Ploce,

as is common practice in many other cases and in line with international conventions that (?cover this)."

[Merlin] Noting that all three of the beleaguered sides in Bosnia-Herzegovina are only losing in the prolonged clashes, President Tudjman ended his brief conversation with journalists by calling on them to invest further efforts into finding a solution.

Police Seal Off HSP Headquarters in Zagreb

LD0707185093 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 7 Jul 93

[Text] On the basis of an order of the investigation department of the Zagreb district court, policemen of Zagreb's main police station today launched a thorough search for explosives in the building at 6 Starcevic Square which is the seat of the Croatian Party of Right [Hrvatska Stranka Prava—HSP], it has been announced by the main Zagreb police station.

As a statement says, the order was based on a demand by the state prosecutor's office and information available to the Zagreb police station that the premises were mined due to the announced expulsion from the building, and that there were arms in the building ready to use against police. In order to prevent the danger for citizens and property, the building at 6 Starcevic Square and a narrow area around it have been sealed off. The search for explosives is still in progress because there are many rooms to search.

Several people have been brought to the Zagreb police station because they offered resistance. In accordance with their legal authority, the police will act in the same way as on all other similar occasions, the statement of the Zagreb police station says.

This afternoon the HSP held a news conference about today's events around their seat in Starcevic Building in Zagreb. Claiming that this is a completely illegal blockade of the building and the persecution of the party and its leaders, Dobroslav Paraga stressed that he will continue to defend the building by nonviolent means.

Macedonia's Gligorov Begins Official Visit

AU0707151993 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 7 Jul 93

[Text] Macedonian President Kiro Gligorov arrived for a two-day official visit to Slovenia. After the ceremonial reception at Brnik airport, Gligorov, together with his aides, held talks with President Kucan and his assistants. The Macedonian president afterward gave a short statement for the public. Tomaz Gerden reports:

[Begin Gerden recording] Macedonian President Kiro Gligorov thanked Slovenia for its assistance in getting his country admitted to the UN. As he stressed, all the conditions for good and friendly cooperation between Macedonia and Slovenia have been fulfilled. They are both independent countries that have opted for the European option, that is, for integration processes on the Old Continent.

Friendly sentiments toward Slovenia prevail in Macedonia and the Macedonian public has shown great interest for the first official visit of the top Macedonian representative to Slovenia.

As we have learned from other sources, topics concerning mutual relations prevailed in today's talks. Slovene President Milan Kucan did not wish to comment on today's talks. He assured us that he would explain his views at the news conference tomorrow.

President Gligorov will continue his visit with talks in the Slovene Economic Chamber this afternoon. At 1800 [1600 GMT] he will ceremonially open the Embassy of the Republic of Macedonia at Dunajska Street 104. [end recording]

Discusses Cooperation

LD0707110993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1050 GMT 7 Jul 93

[Text] Ljubljana, 7 Jul (TANJUG)—Kiro Gligorov, president of the Former Yugoslav Republic of Macedonia, arrived on a two-day official visit to Slovenia. Gligorov will hold talks with the top representatives of Slovenia in connection with political and economic cooperation between the two republics. Slovene-Macedonian economic contacts and the exchange of goods have considerably dwindled over the last several months. President Gligorov will also open the embassy of the Former Yugoslav Republic of Macedonia in Ljubljana. It has been indicated that Gligorov and Kucan will pay particular attention to the war in former Bosnia-Herzegovina and to Macedonian relations with the Federal Republic of Yugoslavia.

Kucan Meets With Austria's Klestil; Talks Detailed

AU0607155993 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 6 Jul 93

[Text] We begin our newscast with a report about Slovene President Kucan's visit to Austria. He held talks with Austrian President Thomas Klestil in Ossiach, Austrian Carinthia, this morning. They spoke about the details of the talks at the news conference this morning. Lojze Kos reports:

[Begin Kos recording] There was great interest in today's news conference. Some 40 Austrian and Slovene journalists attended the conference, which shows how important a role Slovenia plays in this region.

The talks between Dr. Thomas Klestil and Milan Kucan lasted for a little less than two hours. Both presidents emphasized friendly atmosphere and [passage indistinct] international assertion and speedier inclusion of our state in all European integrations.

The Balkan crisis, war, and instabilities in this part of Europe put Slovenia in a special position. It is therefore very important that Western Europe treat Slovenia as part of the democratic world in which it truly belongs, and no longer pushes it back within the borders of former Yugoslavia.

Regarding the Balkans, Slovenia and Austria share identical views. There are no major deviations in bilateral relations, either. The minority issue must be resolved in accordance with the new European minority standards. The problem of the old Austrian minority in Slovenia is being studied by a special mixed commission. Krsko nuclear power plant will operate for as long as Slovenia does not obtain an alternative source of energy. However, care will be taken to assure maximum security and prompt alerting in case of any possible danger.

The meeting in Ossiach had a great moral and political significance for both states. Klestil and Kucan will meet again soon, most probably in Ljubljana. [end recording]

World Bank Loan To Be Granted by 15 July

93BA1163D Ljubljana DELO in Slovene 17 Jun 93 p 3

[Article by Miha Jenko: "Slovenia Will Soon Receive an International Loan"]

[Text] *On 15 July, the World Bank's board of directors is supposed to confirm a loan of $80 million for rehabilitating banks.*

Ljubljana, 16 Jun—As part of its recent visit to the United States, a Slovene delegation visited the U.S. Government, the IMF, the International Finance Corporation [IFC], and the World Bank, where negotiations took place on that bank's announced loan, as the head of the delegation, Finance Minister Mitja Gaspari, stated at today's press conference.

The purpose of the visit was to inform the abovementioned institutions about the economic situation and the government's economic policy, and the Slovene side also sought support from international financial circles in its further negotiations with the Paris Club states and the creditors' committee represented by Chemical Bank in New York. According to the minister, a conversation

with IMF Director Camdessus showed that the IMF supports the Slovene Government's economic policy. It is concerned about two areas in our country: wages and privatization. It would like our government to achieve what it is also anticipating itself, namely the signing of collective contracts and a social pact. If we fail in that, the IMF is proposing that we control wages until the economy is privatized. Our side explained to the IMF that there were still several difficulties in promoting privatization, but that no one could stop the process that had begun.

As Mitja Gaspari said, in a talk with the World Bank's leadership, headed by president Lewis Preston, the latter praised the progress of reforms in our country. According to him, the World Bank rates us high in the category of comparable countries. The bank is to cooperate with us for at least another two or three years, even though our gross domestic product per capita is higher than the upper limit of $4,000. The bank, in fact, is taking into account the fact that our country is in unusual circumstances caused by the war in the former Yugoslavia and the associated loss of markets, and also the loss of markets in Iraq and the former Soviet Union. The World Bank noted that there were no longer any obstacles to signing the credit arrangement intended for the rehabilitation of enterprises and banks. They also spoke about several other possible loans (for the environment, telecommunications, ports, for exporters, etc.), which we should receive during the next three years, if all goes well.

Government adviser Dr. Mojmir Mrak explained that the first so-called hybrid loan from the World Bank was completely divided into a program part (for the rehabilitation of enterprises and banks) and a project part for specific projects at enterprises. The Bank's board of directors is to approve the first loan, the program one, worth $80 million, at its 15 July meeting, and then it also has to be ratified at the end of July by the Slovene parliament. Of the above-mentioned $80 million, $75 million will be allocated for rapid withdrawal, and there will be $5 million worth of technical assistance from the Bank. That program loan would be drawn in two tranches, the first one immediately after ratification by parliament, and the second one in the middle of next year. The loan also has a 15-year repayment period, with a five-year grace period, at a variable interest rate (now 6.93 percent plus a 0.5 percent margin), tied to a basket of currencies.

This September we are also to be visited by a so-called assessment mission from the World Bank, which will be a preface to the beginning of negotiations on obtaining the second part of the loan (which should amount to $70 million), intended for investment projects at enterprises being privatized.

According to Gaspari, at the IFC headquarters they said that they were quite willing to invest some of their money in the former of share capital in Ljubljanska Banka and several other institutions. They are also prepared to participate with technical evaluations in the areas of insurance, leasing, and several other types of financial transactions. At the U.S. Treasury Department, our delegation agreed that we would keep them informed about our talks with the Paris Club states and the commercial banks. The U.S. side supported our initial position in the negotiations with the commercial banks, and also offered us financial and technical assistance. The issue of a guarantee for the Krsko nuclear power plant is still open. The U.S. Exim Bank is requesting a dual 100-percent guarantee, from both Slovenia and Croatia. Our side is proposing that the guarantee be divided in half; it is not rejecting the "joint and several liabilities" clause, but it is emphasizing that this complication would be resolved by two separate agreements with Slovenia and Croatia. According to the minister, this problem is to be solved during the next few weeks, and it should also ease the position of our exporters in the United States.

Foreign Investment Detailed

93BA1155C Ljubljana DELO in Slovene 14 Jun 93 p 3

[Article by Miha Jenko: "We Are the Only Ones Who Can Be Responsible for a Sell-Out of the Property, Not Foreigners"]

[Text] *The Germans, Austrians, Italians, and French comprise about 92 percent of all foreign investments here; the government is still "adopting" a strategy on foreign investments; ownership uncertainties.*

Ljubljana, 13 Jun—Most of the foreign investments here—in terms of numbers—are in the areas of trade and services. By value, the biggest investments are in Revoz, Tobacno, Novoterm, ETA [Electrical Appliance Factory], Belinka, the Kolicevo Paper Factory, Iskratel, TAM [Automobile and Engine Factory], etc. The biggest 10 investments account for approximately 80 percent of the investments. As indicated by the investments to date, foreigners are choosing the largest investments, by value, in the production of transportation equipment (Revoz, Cimos, TAM), the electrical, chemical, and rubber industries, and paper factories.

In addition to those listed in the table, several other well-known multinational firms like Bayer, IBM, Pepsi Cola, etc., are also active in our enterprises now. According to data collected by the Ljubljana Center for International Cooperation and Development [CMSR], the enterprises where foreign partners are present are almost twice as export-oriented as others. They export an average of 56.5 percent of their sales, and import 51.9 percent of their inputs; it is also estimated that they are more efficient in using capital and other factors in production. As is logical, more and lesser known owners (including foreigners)—as is also completely understandable—choose primarily to invest in our relatively successful enterprises with a known market.

Otherwise, we can distinguish foreign investments in our enterprises in several ways, but mostly in accordance

with whether they involve the establishment of a completely new enterprise, or whether the foreigners buy a share in an already existing enterprise (acquisition). As a rule, branches of foreign firms are 100-percent foreign-owned, and with enterprises of mixed ownership, there are varying shares of foreign capital. Abroad, the anti-monopoly legislation of the host country is very important in purchasing existing enterprises.

In our country as well, we should be careful that the entry of foreign capital does not strengthen monopolies in the domestic market. To be sure, we can find classic examples of such existing or potential monopolies in our tobacco, cement, and automobile industries. A very strong reason for buying the above-mentioned share is precisely an established trademark in the domestic market. If Rossignol, for example, bought the Elan factory, it would certainly not stop producing Elan's skis. In short, experts guarantee that there is no logic in anyone's replacing or eliminating an already established domestic trademark. There is a possibility, however, that foreign investors could also develop, in parallel, their own trademark or a new one. It is probably superfluous to add that this particularly applies to products with internationally established trademarks, intended for export.

What about the business language in these enterprises? We Slovenes, as a relatively small people, are justifiably sensitive if the mandatory language of conversation at meetings of the board of directors becomes German, for instance, after the arrival of foreign capital. Foreigners would therefore have to be advised at the very beginning that for Slovenes, language is an extremely important part of our national identity. Would it be any better—if the foreign partners do not know Slovene, of course—to talk in neutral English, which is generally established as an international business language? Experts generally confirm that otherwise the Slovene side would be in a subordinate position. Of course, it would be even better if the foreigners learned fluent Slovene, as the head of Novo Mesto's Revoz, Mr. Coursat, did, for instance. This is a sensitive area, however, where all sorts of things depend on a mutual agreement.

Foreign investments in our enterprises, as a rule, are associated primarily with the more successful part of our economy, since, as already stated, foreigners will not save our enterprises in trouble unless they can buy them at prices acceptable to them, and because of different interests, which in turn is a story in itself. As we know, it is primarily the Germans who are investing in our economy; during the years 1985 to 1991, they invested approximately two-fifths of all foreign capital invested, and the value of each German investment averaged at least twice as much as the average of other foreign investments. They are followed by the Austrians, with 26.2 percent of the value of invested capital, and the Italians, with 15.6 percent; the French share, primarily due to Revoz, amounted to 10.9 percent. Those four countries accounted for about 92 percent of all foreign investments here. One could conclude all sorts of things from this fact, but first of all it means that it would also be good to attract investors from other parts of the world, for instance the United States, the Pacific basin countries, Scandinavia, etc.

To be sure, the Slovene Government was finally supposed to adopt its frequently rehashed strategy on foreign investments (it is a draft, on 15 typed pages) at its meeting last Thursday, but it turned out once again that "things have not been finally coordinated yet." Also significant is the present timing, at the beginning of our privatization process, when even more legal and ownership uncertainties can be expected at existing enterprises.

According to predictions by experts, at least in the beginning it will be even harder for potential foreign investors to find competent interlocutors for joint business, in view of the dispersed shares in enterprises and the different funds. If the nightmare of some of our citizens and public figures—the sell-out of national wealth to foreigners—really is finally fulfilled, one should not blame foreigners for it, but rather the Slovene side. Its signature is also necessary to conclude every contract on a foreign investment. It would also be bad for strengthening our international reputation if the government could not say what our national interest is and if it could not establish and control rules of the game that would allow at least some relative equality with foreign partners. In the existing enterprises acknowledged to be of national importance, the government could promote its own interests and national ones by means of the so-called golden shares, which provide veto rights for some of the most important business decisions (for instance, a majority sale of the enterprise to foreign buyers, etc.).

Our direct competitors for some foreign investments, the states of the Visegrad Group [Czech Republic, Slovakia, Hungary, Poland], are devoting more attention to foreign investments. For instance, an office directly responsible to the prime minister handles the major investments in Poland; the Hungarians do make mistakes, but they have clear goals and a strategy for inclusion in international economic flows. Do all the delays in adopting a Slovene national strategy on foreign investments really mean—as some of the worst skeptics are wondering—that it really suits someone here to have matters regarding foreign investments left to chance?

Some Large Foreign Investors in Slovene Enterprises

Name of Enterprise	Foreign Partner	Total Invested Capital (in millions of German marks)	Foreign Shares (in percent)
Tobacna Ljubljana	Reemtsma (Germany), Seita (France)	120.0	76
Iskratel, Kranj	Siemens (Germany)	51.1	48
Novoterm, Novo mesto	Pfleiderer (Germany)	60.0	80
TAM Maribor	Iveco Fiat (Italy)	31.1	no data
TAM Motor	Kloeckner, Humboldt, Deutz (Germany)	10.1	no data
Kolicevo Paper Factory	Saffa (Italy)	70.0	58
Henkel Zlatorog	Henkel (Austria)	25.9	96
Sava Kranj	Semperit (Austria)	78.6	28
Salonit Ahovo	Wietersdorfer & Peggauer, Knoch, Kern & Co. (Austria)	107.1	12
Goricane, Cellulose and Paper Factory Medvode	Maschinenfabrik Andritz, Frantschach Holding (Austria)	37.4	19
Belinka Perkemija, Ljubljana	Laporte Chemicals (UK); Solvay ET CIE (Belgium)	205.8	20
Cimos Koper	Citroen (France)	18.7	49
REVOZ, Novo Mesto	Renault (France)	160.0	51
Vevce Paper Factory	Brigl & Bergmeister (Austria)	65.3	51
Eta Cerkno	E. G. O. (Germany)	69.7	50
Kolektor Idrija	Kautt & Bux (Germany)	26.1	51
NAUE-NTU, Slovenj Gradec	E. A. H. NAUE (Germany)	16.30	51
Saturnus Avtooprema	Reinhold Poersch (Germany)	11.7	60
Black & Decker Grosuplje	Black and Decker (United States)	10.6	57

Comment: The list includes investments until the end of 1992; several later or smaller investments are not included.

Source: CMSR

Foreign Investments in Slovenia From 1968 to 10 May 1993

Time Period	Number of Foreign Investments	Capital Invested (in millions of German marks)
1968-85	31	90.8
1986	3	3.3
1987	6	20.6
1988	4	31.4
1989	174	162.5
1990	616	499.8
1991	461	598.7
1992-10 May 1993	1,928	737.6
Total	3,223	2,144.7

Source: Ljubljana CMSR

Radio-TV Restructured as Nonprofit Organization

93BA1163B Ljubljana DELO in Slovene 11 Jun 93 p 2

[Article by Lilijana Resnik: "RTV Will Only Be a Nonprofit Institution"]

[Text] *According to the proposed law on Slovene RTV [Radio-Television], other producers will be able to rent a fifth of its programming time; subscriptions are quite enough for survival.*

Ljubljana, 10 Jun—At a press conference today the head of the government information office, Mile Setinc, described in more detail the changes in the proposed law on Slovene RTV, along with the draft law that was discussed at today's government meeting. The law provides for several important innovations, which promise major changes at RTV itself.

One of the main changes is that Slovene RTV is obliged to give 12 percent of its annual programming time to other producers on the basis of a public bid, according to a decree on financing projects in the state budget. The Slovene RTV council is now supposed to operate according to a tripartite principle. Of the council's 25 members, seven members will be appointed by the State Assembly, but those members are not supposed to be deputies. Nine members (seven employee representatives and two representatives of ethnic minority programs) are to comprise the delegation of Slovene RTV employees, and nine members are also to be a delegation from the public. According to one version, they are to be appointed by the State Council, in which case the delegation would be less party-oriented, and according to another version, they are to be appointed by the State Assembly, which would select those nine members among public figures.

Another innovation is that the transmitters and communications lines will no longer operate as part of RTV, but rather as an independent enterprise; several misgivings about this have already been heard from the public so far. At today's press conference, we also learned that the transmitters and communications lines, in the event that they become independent, have already announced a 100-percent increase in the prices for transferring signals.

As a third important innovation, the law provides for a different method of collecting subscriptions. It is a special form of control on the basis of personal information, regarding which the government supports the position that a public institution that is promoting subscription as its source for survival also has to have all possibilities for collecting it. In connection with this proposal, the issue arises of what will happen with the right to secrecy and security of personal information.

"If we determine that with that method of collecting subscriptions Slovenia would be unique in Europe, then we will have to retreat from this proposal," Mile Setinc commented at the press conference. He also added that from now on Slovene RTV would only depend on subscriptions and not on commercial advertising, since subscriptions already guarantee it enough resources for survival. This year Slovene RTV is to obtain about 5 billion tolars from subscriptions alone, which is more than was allocated for the state budget, Mile Setinc said.

Another innovation is that the government will also approve the appointment of editors. It is now thinking only about approving the appointment of managing editors, as the managers who have the most crucial impact on journalists' rights. The will of the personnel, i.e., those employed by the public institution, is still to be decisive in the appointment of the directors of RTV programs.

Steel Industry's Losses Greater Than Expected

93BA1163A Ljubljana DELO in Slovene 9 Jun 93 p 3

[Article by Franci Dovc: "The Figure on the Losses Even Surprised the Government"]

[Text] *Last year's loss of 18.9 billion tolars allegedly dates back to 1991, and a smaller part of it is supposed to have occurred last year; the committee is demanding an audit of operations.*

Ljubljana, 8 Jun—The Slovene Ironworks' loss is much higher than expected, and consequently the State Assembly's committee on the economy, like the Slovene Government, is insisting that the auditing firms that have been hired conduct an audit of operations as soon as possible. On the basis of that report and the operations during the first half of this year, the government is to prepare a comprehensive report by September on the results of the rehabilitation to date and above all a projection of operations in the future. Those are the main points from today's meeting of the State Assembly's committee on the economy, which devoted most of its time to a discussion of the report on the Slovene Ironworks' operation.

At the beginning of the discussion, Dr. Ivo Banic, state secretary in the Ministry of the Economy, informed the committee members of some of his views on the difficulties in this important economic sector. Specifically, the fact is that in general the steel industry, both here and in Europe, is experiencing serious upheavals. In Germany alone, during the past year about 50,000 employees were dismissed in this industry. In his opinion, the rehabilitation of the Ironworks is a process that almost all countries in Europe have already confronted or still have to. Such a difficult job cannot be performed effectively in a year or two, but examples from the world indicate that in some countries (for example in England), rehabilitations have even lasted for 10 years or more.

Last year's loss (18.9 billion tolars), in Banic's opinion, dates back to 1991, and a smaller part of it occurred last year. The government also notes that the Slovene Ironworks is not proficient in marketing, which, of course, is a consequence of the fact that during the time of the collapsed Yugoslavia it did not need to develop that important activity, since buyers came on their own. He also said that because of undercapitalization and poor servicing by banks (providing loans), the Ironworks were not capable of a competitive struggle in foreign markets. He also admitted himself that the government did not expect such large losses. He illustrated the "weight" that these losses actually represent with the fact that the Ironworks would have had 12 billion tolars in losses even if all the employees had stayed home the whole year.

Joze Hujs, chairman of the Slovene Ironworks' board of directors, said that in response to the government's request regarding operations last year, it hired three audit firms, which in two months would provide their

reports on operations last year. Only after that will the Ironworks be able to determine how realistic the data on last year's losses are. Continuing the discussion, he said that 11 enterprises had emerged from the Slovene Ironworks as of 1 January 1993. He claimed that that fact also was another reason why the information system had somewhat collapsed, and that among other things, it was also one reason why the data on the loss were not very reliable.

According to Izidor Rejc, part of the blame for this situation should also be sought in the replacement of directors and boards of directors (during the past three years, three directors and three boards of directors were replaced). In spite of that, it somehow survived 1991 without financial loans, which is somewhat of a surprise.

During the discussion, Franc Avbersek advocated more decisive measures in rehabilitation, since according to him, all the trends indicated a deterioration in the situation. He also thought that the deputies did not have reliable data available when they decided on the Ironworks' rehabilitation. Feri Horvat, the chairman of the committee, asked why the government had not already requested an audit of last year's operations earlier, in view of the surprising figures on last year's losses. He is convinced that the biggest problem is finding markets for selling steel.

Marjan Poljsak was against sacrificing the metal processing and machinery industries for the sake of metallurgy through a sale. If the Slovene Ironworks were sold, it would have to be sold to Slovenes, and not foreigners. According to him, the losses would have been reduced already if two ironworks had been closed and the third continued to be rehabilitated. Dr. Ivo Banic answered him by saying that it would not be possible to avoid foreign capital in the future, since the free flow of capital is one of the basic principles of European integration. He advocated conducting a sober policy regarding these sensitive issues. Dr. Andro Ocvirk, general director of the Slovene Ironworks, pointed out that it was impossible to engage in market behavior with constantly blocked transfer accounts and blockades by individual commercial banks. In his opinion, it is of crucial significance to divide the Ironworks substantively into three parts (metallurgy, the metal processing industry, and the machinery industry), and thus make it possible for at least those that can to engage in market behavior. He is convinced that it is very easy to close steel plants, but not so simple to start them up again. He said that the rehabilitation process actually could only have been started on 1 April 1993. The money that the Slovene Government allocated for rehabilitation (about 248 million marks) on the basis of the law on covering the Slovene Ironworks' losses was used to repay debts to banks and thus helped in rehabilitating the banks, and likewise, the bonds that were issued to rehabilitate the Ironworks covered about 90 percent of the obligations to creditors and the state.

Finally, Dr. Maks Tajnikar, minister of economic activities, also participated in the discussion. He said that in the future the government did not intend to interfere in enterprises' operation. In his opinion, the case of the Slovene Ironworks was an extreme case of an attempt to save enterprises in that way. That method of saving it was chosen because of the Ironworks' extraordinary significance, and consequently, he claimed, there was no other way to save it. In fact, he is still convinced that rehabilitation is better than bankruptcy. He also touched upon the issue of privatization. He said that the decision on this had already been made and that two advertisements had already been published in the newspapers, but were unsuccessful.

[Box, p 3]

Among other things, the report from the Small Business Development Fund, which was presented by Minister Maks Tajnikar, was also discussed at today's meeting. The participants in the discussion emphasized that because of the existence of two boards of directors the situation at the Fund was untenable, and was primarily hurting small business. The government was asked to eliminate the disagreement as soon as possible, and if absolutely necessary should propose an amendment to article 11 of the Small Business Law. The old board of directors, in fact, is citing that article of the Small Business Law, which essentially specifies a four-year term for it. In connection with this, the committee on the economy also requested a legal explanation from the State Assembly's secretariat for legislation. It expects the government to prepare a report on the Small Business Development Fund's work this year. According to the committee's chairman, Feri Horvat, after this the problem in connection with the Fund will be discussed again at a meeting of the committee on the economy, since in the committee members' opinion the complications had to be resolved as soon as possible.

Federal

Belgrade Reports G-7 Rejects Military Action

AU0807073193 Belgrade Radio Beograd Network in Serbo-Croatian 0200 GMT 8 Jul 93

[Text] Last night, that is, yesterday, the leaders of the richest countries rejected absolutely any military action against the Bosnian Serbs.

Owen, Stoltenberg Arrive in Belgrade for Talks

LD0807113393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1108 GMT 8 Jul 93

[Excerpt] Belgrade, 8 Jul (TANJUG)—David Owen and Thorvald Stoltenberg, cochairmen of the international conference on former Yugoslavia, arrived in Belgrade today on a new mission to try to find a solution to end the war in Bosnia. Federal Republic of Yugoslavia President Zoran Lilic will receive Owen and Stoltenberg in the Palace of the Federation this afternoon. The cochairmen are later expected to hold talks with Serbian President Slobodan Milosevic. [passage omitted]

Article Views 'Acute' Situation in Army

AU0807094993 Belgrade NIN in Serbo-Croatian 2 Jul 93 p 9

[Svetislav Sposojevic article: "Paper Tiger"]

[Text] The Yugoslav Army took another cunning and premeditated blow last week. Economically exhausted and morally destroyed, it was astonished after the Yugoslav Assembly refused to rebalance the federal budget, leaving it without the money to survive. Most Army members believe that this decision indirectly announced "that they are not entitled to exist."

The attitude of the Serbian regime—which is responsible for most key issues—has been too diplomatic and unclear toward the Yugoslav Army for a long time already. Can the refusal of the proposal made by Radoje Kontic, who asked for a large amount of money from the budget to be used for the exhausted but very obedient and patient Army, be interpreted as a radical turn in relations between the Army and the regime? Let us be even more precise: Does the Serbian leadership think that some other power could replace the Yugoslav Army?

In his regular military commentary, POLITIKA mentioned in his last Sunday issue: ..."Dramatic days are coming for the Yugoslav Army unless the acute and long-lasting drama is turned into a spontaneous (and very dangerous) death of the Yugoslav armed power.... But, this is the real situation, and the dissatisfaction of the permanent Army members cannot be hidden any longer. Not only because of their financial situation, which is so bad than it cannot be compared to anything else, but also because of the dilemma regarding its future.... In the worst version, which cannot be ignored any more, it must not be excluded that there are forces that want organized spontaneity in the dissolution of the Army...."

It must be said that these delicate estimations were signed by Colonel Ljubodrag Stojadinovic, head of the Information Section of the Yugoslav Army, who is in journalistic circles considered to be an exceptionally well-informed expert on the most delicate military issues.

The Army has already been stumbling for a long time. Not so much owing to its own mistakes, as this is ascribed to it. First of all, after having left Slovenia, Croatia, Macedonia and at last Bosnia-Herzegovina, it was publicly accused of losing a war, which it never led. Nobody is blaming the main culprits for its defeat—Branko Kostic, Borisav Jovic, Jugoslav Kostic, and Sejdo Bajramovic. Instead, they are still being proposed for high political functions!

They bear the main responsibility for the defeat of the unlucky Yugoslav People's Army. Most of its officers know today that they lost the war on the other side of the Drina River. Soon after the ethnic cleansing, many considerate people were thrown out from the Army, especially those who could possibly be reliable witnesses of occasional and habitual catastrophic mistakes that its commander in chief made.

In its tragical transformation, the former "most powerful military power in the Balkans and even further" has come under the command of Vojislav Seselj, an expert of national defense. In the last session of the Yugoslav Assembly, Mr. Seselj proposed in an arrogant way to give the Army members the minimum pay and revoke their right to obtain apartments from the state. If we take the statements made by the talkative and most powerful Radical Party member as the expression of the opinion that prevails on Tolstojeva Street 33, on Dedinje in Belgrade, it is senseless to speak about the Army as the reliable bulwark of safety, peace, borders....

A high-ranking Yugoslav Army commander, who did not want to disclose his name for understandable reasons, made the following statement for NIN: "The situation in the Army suddenly became unbearable. For a very long time we opposed this state of hopelessness, but it reached us in the end. The commander of a tank battalion, for example, the total equipment of which is worth more than $250 million, has a monthly salary of $30! It is perhaps possible to forget financial difficulties for a certain period of time, but the moral crisis in the Army and the contempt we are exposed to cannot be overlooked. Our morale has reached the level when an army practically ceases to exist...!? I can feel that something bad will come about. Although I know that it is only a figment of my imagination, I am haunted by the idea that I shall soon be greeted by a special officer of the Ministry of the Interior at the entrance to the General Staff (instead of by a soldier), who will tell me that the General Staff building does not belong to the Yugoslav

Army any more. You probably think that this is insane, but I can tell you that I am not the only one in the Army who thinks like this. I can tell you that the atmosphere in the Army is cataclysmic."

The reader should know that some generals have dismissed other generals with the help of special police units! This is unbelievable, but it happened.

The Army had almost 250,000 members before the war. This number was reduced by more than half. This is understandable because Yugoslavia lost four republics, but, while the number of soldiers is decreasing, the number of police members is increasing with arithmetic progression. The number of policemen will soon reach 80,000 healthy, enthusiastic, obedient, perfectly trained, well armed, and emotionally sensitive young men devoted to its people.

Pavle Bulatovic, the present federal defense minister and the former head of police, was not present in the last session of the Federal Parliament, although the destiny of the Army was discussed. Radmilo Bogdanoic, the inevitable "policeman from Jagodina," was naturally present. He was asked if it was true that Serbia had 74,000 policemen. He answered that this number was small, and that there would be no chaos in the country if there were more of these poor and neglected young men in the police.

Under the present circumstances, the Serbian regime probably does not have enough confidence in the Army that it could bring it to the streets again, as was the case on 9 March 1991 upon the order of the unforgettable Borislav Jovic. The police is in any case a more reliable peace and regime keeper now than it was in March 1991 when the demonstrators overwhelmed it. The police is provided for from the highest position in Serbia. Every policeman on the shabby Belgrade streets has a monthly pay that is much higher than the salary of a Yugoslav Army officer! This is also incomprehensible, but it is true.

Are we walking straight into a dark and tragic circle of a police country, as Dobrica Cosic told me on the last day of his presidency?

Finally, one of the most delicate Serbian questions: Is the present police the hard core of a future professional army?! Will the police be recompensed in some more quiet days for the well performed tasks in this stormy weather?

Serbia

Draskovic Pledges To Continue Hunger Strike

AU0807081093 Paris AFP in English 0512 GMT 8 Jul 93

[Text] Belgrade, July 8 (AFP)—Serbian opposition leader Vuk Draskovic pledged in a letter published Thursday to continue his hunger strike in protest at his and his wife's incarceration, despite appeals for him to resume eating.

"I will not stop my hunger strike so long as my wife Danica is still being held," Draskovic said in the letter, which was dated Wednesday, the seventh day of his strike.

The letter was written at the Belgrade clinic where the writer and his wife are undergoing treatment under armed police guard.

"I am not suicidal," said the leader of the Serbian Renewal Movement. "But I know that a hand is in the process of tightening the knot around my neck and that of Danica.

"I know whose hand it is. The whole world knows," he said, in a clear reference to Serbian President Slobodan Milosevic.

"I ask all of you, my dear friends, to understand that this act is my only defence, the only way of saving Danica and of winning," he concluded.

Draskovic began his strike on July 1 in protest against the decision to keep him and his wife in jail pending a trial for their part in anti-government demonstrations.

The Serbian Supreme Court on Tuesday upheld the decision to keep them imprisoned.

Draskovic was allegedly beaten by police during his initial arrest.

DEPOS Deputies Boycott Assembly

LD0707162193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1437 GMT 7 Jul 93

[Excerpt] Belgrade, 7 Jul (TANJUG)—DEPOS [Democratic Movement of Serbia] deputies have decided to suspend their participation in the work of the federal and republican assemblies until the leader of the Serbian Renewal Movement [SPO] Vuk Draskovic is released from prison, it was said at an SPO news conference today.

As members of the SPO's top leadership said, other democratic opposition parties in Serbia and Montenegro have been called on to join the boycott.

The head of the DEPOS group of deputies in the Serbian Assembly, Milan Mikovic, pointed out that DEPOS considered it necessary as soon as possible to hold a public protest meeting in Belgrade and other towns in Serbia at the same time, a decision on which should be reached by the DEPOS' Presidency today.

SPO Vice Chairman Slobodan Rakitic said that the protest meeting will be held regardless of whether the authorities allow it or not. He estimated that the Supreme Court's decision [to extend Draskovic's detention] might lead the country to "complete chaos with unpredictable consequences." [passage omitted]

Montenegro

Disagreement With Serbia Over CSCE Observers

LD0707220493 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 7 Jul 93

[Report from Podgorica by Dino Ramovic]

[Text] The Montenegrin Government has again disagreed with a decision reached by the government of the joint Serbian-Montenegrin state. Namely, besides the fact that Montenegro's rulers accepted the supervision of the Montenegrin-Bosnian border by representatives of the international community, this time they are willing to play host to CSCE observers, again without the approval of the federal state and the Serbian regime.

Montenegrin Foreign Minister Miodrag Lekic has said that Montenegro disagrees with the decision of the government of the Federal Republic of Yugoslavia to ban the further activities of the CSCE mission on the territory of present-day Yugoslavia. Minister Lekic expressed regret over the fact that Montenegro's opinion was disregarded yet again. He added that, as was the case so far, the well-intentioned CSCE representatives can travel around Montenegro in order to become convinced that international human rights standards are seriously respected in the building of relations in Montenegro.

Lekic Comments

AU0707150193 Belgrade BORBA in Serbo-Croatian 6 Jul 93 p 5

[Lj. Mudresa report: "Margit Savovic's Irrational Decision"]

[Text] Podgorica—In reaction to the statement made by Margit Savovic, human rights minister in the government of the FRY, which NEDELJNA BORBA carried in its 3-4 July issue and which said that "the mandate of the CSCE mission representatives in Yugoslavia has expired", Miodrag Lekic, foreign minister in the government of the Republic of Montenegro, says:

Although some arguments for such a decision are understandable, on the whole we do not consider this decision to be a rational one. It can be understood as a concrete contribution to the tightening of the sanctions. This decision lessens the possibility of bridging differences through dialogue and the restoring of mutual trust.

The stance of the Montenegrin Foreign Ministry in favor of extending the CSCE mandate was stated at the founding meeting in the Federal Human Rights Ministry in April of this year. We conclude with regret that this stance was not taken into account when the latest decision was made, that is, that our ministry was not consulted. It is understood that well-intentioned CSCE representatives are free to tour Montenegro in order to see for themselves that international human rights standards and intraethnic trust are seriously taken into account when building relations in our community.

Seselj on Cooperation, Differences With DPSM

AU0707202493 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 7 Jul 93

[Interview with Vojislav Seselj, leader of the Serbian Radical Party, by Dragan Milutinovic; place and date not given—recorded]

[Text] [Milutinovic] The guest of tonight's news program is Vojislav Seselj, leader of the Serbian Radicals. You recently visited Montenegro, where you held some political talks.

[Seselj] We discussed two groups of issues: the functioning of the federal assembly and the possible cooperation between our parties on the realization of the legislative functions of this most prominent body of the FRY. We agreed that there is a number of problems that hinder the work of the federal assembly, above all the lack of efficiency of the federal organs of authority and a certain lack of readiness to compromise, which was also demonstrated by the federal government during the discussion on the budget.

We agreed that we should look for compromises, that we should insist on some principled issues, reduce state obligations as much as we can so that the citizens of our country, the taxpayers, could breath easier. We should stop financing irrational things that have been financed from the federal budget so far. We should look for the solutions that will be optimal for our national interests.

We also discussed possible forms of interparty cooperation in the period ahead, analyzed some problems that have existed between these two parties [the Serbian Radical Party and the Democratic Party of Socialists of Montenegro (DPSM)] in the past year, and concluded that it would be good to meet occasionally, exchange views on the most topical issues, never, of course, ignoring the fact that we are political opponents. I am referring to the ruling party in Montenegro. The Serbian Radical Party is the only opposition party in the parliament in Montenegro today. The fact that we are political opponents does not mean that we are political enemies. We should, above all, especially cooperate when our general national and state interests are in question, and argue only about pure ideological and party issues.

These times are very difficult. The Serbian Radical Party is in a particularly difficult position. You know, we are in a situation where neither the republican nor the federal authorities would be able to function without our support and help. This is a heavy burden for us, because we could bring a government down at any time, we could prevent laws being passed, we could, in fact, cause chaos in the country. This additionally compels us to consider our position as being more responsible and more complex, and to behave in line with the national interests.